



Daily Report

Latin America

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Tuesday
12 September 1989

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Cuba

Fidel Castro Speaks to Chilean Community

FL1209013889 Havana Television Service
in Spanish 0000 GMT 12 Sep 89

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, is attending the inauguration of the intensive and intermediate care unit of the Salvador Allende Hospital in Havana. Earlier, Fidel had presided over a ceremony in solidarity with Chile. Fidel spoke to the community of Chileans residing in Cuba.

[Begin Castro recording] Our people unanimously condemned the coup, the massacre, and the crimes—crimes which will never be forgotten. Our people condemned the atrocious process of missing people and condemned the terrible attack on the presidential palace where Comrade Allende wrote one of the most beautiful and heroic pages in the history of America. He left us an example of courage and he left us an example of dignity. We know that the wisdom of the Chilean people will not allow—no matter when—such a sad story to be repeated again. That great Chile of tomorrow will arrive sooner or later. I say this because of the opinion I have of the Chilean people. Not only because of the love I feel for the Chilean people but also because of the admiration I feel toward the Chilean people. I am not a prophet but I venture to give an opinion. [applause]

We will be able to speak of two stages, before the 11th and after the 11th of September, before the 16 years of Pinochet and after the 16 years of Pinochet. It is a very dear history for all of us. This is why what Celaya [not further identified] said is true, that you Chilean people will always be able to count on all our help, on all our support, the way it has been during these 16 years. You will be able to count on Cuba and see that, if it is not the best friend among all the countries of the world, it is among the best friends of Chile among all the countries of the world. [applause]

Long live Chile! [crowd responds: Viva!] Long live Cuba! [crowd responds: Viva!] Long live our America! [crowd responds: Viva!] Fatherland or death! [crowd responds with Castro: We will win!] We will win! [end recording]

The ceremony began with the unveiling of a bust of Salvador Allende, constitutional president of Chile, who died 16 years ago during the military coup Augusto Pinochet staged against his government. The bust, placed at the entrance of the Chilean Solidarity Committee, confirms the Chilean people's ideal of fulfilling Allende's legacy.

Castro Visits Italian Patient in Hospital

FL1109142689 Havana Radio Reloj Network
in Spanish 1402 GMT 11 Sep 89

[Text] On Saturday night [9 September], Commander in Chief Fidel Castro Ruz visited the Hermanos Ameijeiras

Hospital to inquire about the progress being made by Italian tourist Luigi Capalbo, sole survivor from last 3 September's plane crash.

In this, his second, visit to the hospital's reconstructive surgery and burn patient ward, Fidel inquired about the patient's health and the institution's requirements to help the visitor recover. Just the same, the commander in chief was interested in the attention being given to Capalbo's parents. The victim's family has been in Havana since last Tuesday [5 September].

During his visit to the Ameijeiras, Fidel talked with the group of professionals attending the victim. He was very pleased to see the amount of time and energy they are devoting to this case.

Raul Castro Returns From Nonaligned Summit

FL0909143589 Havana Radio Reloj Network
in Spanish 1104 GMT 9 Sep 89

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba [PCC] Central Committee and president of the Councils of State and Ministers, received Army General Raul Castro, second secretary of the PCC, last night at the Jose Marti International Airport. Raul, who is also first vice president of the Council of State and Ministers, headed the Cuban delegation to the ninth summit of the Nonaligned Movement which was held in Belgrade. Other officials returning with Raul Castro were: Commander of the Revolution Juan Almeida Bosque and Jorge Risquet; the secretary of the PCC Central Committee, Carlos Aldana; Foreign Minister Isidoro Malmierca and Manuel Pineiro, member of the PCC Central Committee and chief of its America Department; and other comrades of the delegation.

The Cuban delegation was welcomed at the airport by Mihailo Popovic, Yugoslav ambassador to our country, along with other party and government leaders.

Upon his arrival to Cuba, Foreign Minister Isidoro Malmierca said he feels very satisfied with the results of the ninth summit of the Nonaligned Movement. He added that the meeting's declaration expresses the quintessence of the Nonaligned Movement countries as well as the necessary solidarity among the member countries. He also said that it constitutes a very precise guide for the struggle for peace, disarmament, international security, and for the fight against colonial domination. Malmierca also said that the document also tries to have the nonaligned countries get away from the tendency of negotiation instead of confrontation.

With regard to the future priorities of the movement, Malmierca emphasized, first of all, the fight for peace, and the continuation of the analysis of the international economic situation, as well as the need to work on the solution to obstacles that are halting the development of Third World countries.

Prior to his return to Havana, Malmierca said in Belgrade that the documents approved at the nonaligned summit maintain the objectives and principles of the movement. He pointed out that the nomination of Accra, Ghana as the host country for the inter-summit ministerial meeting in 1991 shows that the Nonaligned Movement follows firmly its objectives.

With regard to the text on Latin American problems, the Cuban foreign minister said that the particular situations of various countries are discussed, such as the cases of Panama, Puerto Rico, El Salvador, and Cuba. As for our country, the document emphasizes the attempts imperialism is making to begin anti-Cuban television broadcasts, which constitute a violation of the Nairobi Convention.

Havana Notes Results of Summit

FL1109134789 Havana Radio Rebelde Network in Spanish 1700 GMT 9 Sep 89

[Text] The ninth nonaligned summit ended just a few hours ago in Belgrade. What was the result of this meeting? We could sum it up in the words Comrade Carlos Aldana used to describe the meeting. In light of the criteria presented on behalf of Cuba by Army General Raul Castro, Aldana thought that, if the approved documents are not the best, they are the most advanced texts that could be obtained considering present world situations. Aldana noted something very important, the documents approved by the summit are very different from the originals, which were far from accurately reflecting concrete situations and projecting consistent policies and approaches.

With this joint vision, we can say that the nonaligned summit in Belgrade was better than had been expected. The movement's objectives—instruments that cannot be substituted in the battle for a better future, peace for everyone, independence, and development—prevailed. Cuba, as Foreign Relations Minister Isidoro Malmierca noted, based each of its statements in the hope of contributing to the conference's success. Ours was a constructive spirit because we are absolutely convinced that today's world needs and claims the movement's real and dynamic contribution to achieve the changes we want, the ones we have fought to achieve for almost 30 years since the first summit, which was also held in Belgrade.

Joint Talks With Cuba, Angola Set for Havana

MB1109105189 Johannesburg SAPA in English 1007 GMT 11 Sep 89

[Text] Pretoria, Sept 11, SAPA—The next meeting of the joint commission between South Africa, Angola and Cuba is to take place in Havana, Cuba, late this week, a spokesman for the Department of Foreign Affairs said today.

The commission, whose sittings are usually also attended by observers from the Soviet Union and the United

States, was formed to monitor the peace process in South-western Africa—specifically Angola and Namibia.

Angolan Delegation Arrives

FL1109113589 Havana Tele-Rebelde Network in Spanish 1100 GMT 11 Sep 89

[Text] The delegation from the People's Republic of Angola that will participate in the fifth session of the tripartite meeting arrived last night in Havana.

Jorge Risquet Valdes, member of the Communist Party of Cuba Politburo; and Revolutionary Armed Forces Division General Ulises Rosales del Tora greeted the Angolan experts who, from 13-15 September, will debate matters pertinent to the withdrawal of Cuban troops from the brother nation. The meetings will be held in Havana's Palace of Conventions.

The Angolan delegation is headed by Antonio dos Santos Franca, chief of the FAPLA's [People's Armed Forces for the Liberation of Angola] General Staff and member of the Politburo; (Benancio do Moura), vice foreign relations minister; and (Petra Neto), director of the judicial and state organs of the FAPLA's Central Committee.

Angola, South Africa, and Cuba will be participants in the meeting while the United States, Soviet Union, and United Nations will be observers. During the meeting, the delegations will discuss the agreements signed [words indistinct].

More Internationalists Return From Ethiopia

FL1109182289 Havana Tele-Rebelde Network in Spanish 1700 GMT 11 Sep 89

[Text] Over 200 internationalist combatants have returned to the fatherland from Ethiopia with the satisfaction of having fulfilled their duties.

The combatants deplaned from the aircraft that brought them to the fatherland demonstrating their joy to be back home and waving Cuban and Ethiopian flags. The returning men were received at the airport by Jose Ramon Machado Ventura, member of the Communist Party of Cuba Politburo; Division General [words indistinct]; and Division Generals Ramon Pardo and Romarico Sotomayor.

The young men bear internationalist combatant medals, Cuba-Ethiopia victory medals, as well as the distinguished service medal or the Ignacio Agramonte Medal. In an emotional meeting with Major Orlando Cardoso Villavicencio, hero of the Republic of Cuba, the internationalists told him of the farewell ceremonies they were given by the heroic and thankful Ethiopian people.

Venice-Havana Air Route Inaugurated 11 Sep

*FL1109180589 Havana Radio Rebelde Network
in Spanish 1700 GMT 11 Sep 89*

[Text] The new Venice-Havana air route began operations this morning when an Il-62 of the Cubana Airlines enterprise landed at the Jose Marti International Airport with Italian officials and professionals on board.

This is the first charter flight carried out by the airline that broadens Cubana's services [as heard]. This enterprise is about to celebrate its 60th anniversary and it shows the existing friendship between both nations, said Deputy (Angelo Cresho). He added that he is convinced that these relations, which are of a tourist nature, will lead us to closer cultural and economic relations.

(Cresho) conveyed his sympathies for last 3 September's plane crash but said he was confident in the state commission's investigation. He also noted his respect and admiration for the dedication, as well as the technical resources, the Cuban authorities gave the case.

(Cresho) is mayor of Venice, secretary of the Socialist Party in the Veneto region, and president of the Cuba-Italy Friendship Association. His first visit to the island is in answer to an official invitation made by the Cuba-Italy Friendship Association. He is accompanied by reporters, tourists, professionals, and water polo players who are interested in having a match against Cuba.

Fire at Shipping Enterprise Office Reported

*FL1209030689 Havana Radio Rebelde Network
in Spanish 2315 GMT 11 Sep 89*

[Text] A small fire, but one which could have possibly spread, broke out today around 1700 in one of the offices of the Juan Manuel Diaz dock, which belongs to the Mambisa Shipping Enterprise's ship supplier. The quick and skillful participation of commando combatants No 1 and 15, and of a naval squadron, by putting out the fire in less than an hour prevented even greater consequences. These actions prevented the blaze from spreading to other offices and large warehouses on the dock. The firefighters detected violations in the improper storage of inflammable fluids and other combustible material in the area.

Dominica

Catholic Church Preparing TV Production

*FL1109181789 Bridgetown CANA in English
1902 GMT 9 Sep 89*

[Text] Roseau, Dominica, Sept 9, CANA—Using a former convent in Dominica as a production studio, the Catholic Church is gearing to produce television programmes that may soon be seen in the Caribbean.

With its radio station, Voice of the Islands (VOI), already making a bid for Caribbean listeners, the church is acquiring production equipment from Europe and

other places to create religious and family life programmes which would be sent to television stations in the English-speaking Caribbean.

Father Raymond Cunard, the executive director of the 10,000 watt VOI and the person spearheading the effort to launch the television project, expects the studio to be ready by the end of the year or early next year.

"We see this as a natural extension of our work in the Caribbean," said the priest. "We plan to send a variety of programmes at little or no cost to the stations."

Much of the equipment for the studio is being donated by Catholic organizations in West Germany.

Father Cunard who helped to make Radio Soleil, a Catholic radio station in Haiti, one of that country's most popular broadcast outlets, said that the work to transform a section of the old convent into a production centre was almost completed.

"We are moving ahead," he remarked.

Grenada

Blaize: IMF Satisfied With Economic Growth

*FL1109143589 Bridgetown CANA in English
1559 GMT 9 Sep 89*

[Text] St George's, Grenada, Sept 9, CANA— Prime Minister Herbert Blaize has told Grenadians that the island's economy is in good shape despite claims to the contrary by some "scatter-brained" political opponents and that his policies have been supported by the International Monetary Fund.

In his weekly broadcast to the nation Friday night, Blaize said that the fiscal measures introduced by his near five-year-old government had helped.

He accused some of his opponents of deliberately distorting the facts about the economy in their "extreme anxiety" to force him into announcing an election date.

Elections must be held no later than next March and some politicians are openly pressing Blaize to announce the date.

Blaize said that the economy is doing well, with the key agriculture sector—which is being diversified with the help of the World Bank—showing signs of being strengthened.

He spoke of tourism and construction being buoyant, and manufacturing exhibiting good prospects for growth.

"There is no doubt that Grenada is poised for future takeoff," said Blaize who is the minister of finance.

The Grenadian leader said that even an International Monetary Fund mission which has been visiting the island for the past two weeks testified to the strides being made by the local economy.

He referred to a meeting held with the team on Tuesday in which the members indicated to him their satisfaction with the economic development taking place.

Blaize said the IMF team endorsed the policies and initiatives taken by the Grenada government "to put the economy on a self-sustaining basis."

"I am particularly pleased to hear the mission speak of the upbeat mood in the country which augurs well for its future development," he said.

"I therefore wish to encourage all Grenadians... to try to exert themselves for the betterment of their country so that they and their families could continue to reap the rewards of their productive efforts," he added.

Jamaica's Opposition Supports New National Party

*FL1109225089 Bridgetown CANA in English
1628 GMT 11 Sep 89*

[Text] St George's, Grenada, Sept 11, CANA—The opposition Jamaica Labour Party (JLP) has come out in strong support of Grenada's New National Party (NNP) from which Prime Minister Herbert Blaize broke away last month.

JLP leader Edward Seaga, in a message read out to an NNP political meeting on Sunday night, said he regarded the NNP as the unquestionable custodian of Grenada's return to democratic rule following a Marxist flirtation which ended with the 1983 U.S. and Caribbean invasion of the island.

Seaga said that he saw the action of Blaize as one "born out of the pursuit of narrow self-interest and a failure to put Grenada first."

The JLP, which is an associate of the NNP in the pro-American Caribbean Democrat Union, blamed the "unfortunate action" by Blaize and his supporters for the political crisis which has left Grenada with a minority government.

The NNP was hurriedly put together for elections the following year with support from Seaga and several East Caribbean leaders and the blessings of Washington in order to prevent an extremist victory at the polls.

But after a smashing win, the coalition of three parties has fallen apart and the final break was precipitated by the defeat of Blaize for the party leadership by then Public Utilities Minister Dr Keith Mitchell.

In July, Blaize sacked Mitchell from the cabinet following a bitter leadership feud. Two other ministers resigned to leave the prime minister with the support of only five MPs [Ministers of Parliament].

"The mission to cement Grenada's return to democracy and to re-enforce that democracy by ensuring Grenada's continued economic, social development is the mission of the new national party," Seaga said in the message read by JLP executive member Joan Webley.

"As a party, you must never allow that mission to be hijacked by those who betray the people," he added. Seaga pledged the JLP's unswerving support and commitment to the NNP which is no longer part of the government.

He told the party that the recent political developments offer members an opportunity to emerge stronger from the crisis.

"Seize that opportunity, go for victory, and secure the redemption of your beloved homeland," he said.

Fraternal messages were also sent by the ruling parties in St Lucia, Montserrat, St Kitts and Nevis, and St. Vincent and the Grenadines.

St. Lucian Prime Minister John Compton wished the NNP every success in its effort to bring hope, political stability, as well as economic and social progress to Grenada.

"We know that the struggles may be weary and long but you should know that you and your party can rely upon the support of your friends in the region who wish Grenada well," Compton told Mitchell.

Chief Minister John Osborne of Montserrat said that he hoped the decisions coming out of the NNP convention would serve "to foster peace and stability in Grenada."

Haiti

MIDH, MNP-28, Panpra Form Political Alliance

*FL1109183089 Port-au-Prince Radio Nationale
in Creole 1300 GMT 11 Sep 89*

[Text] The National Alliance for Democracy and Progress [Alyans Nasyonal pou Demokrasi avek Progre], ANDP, has issued a statement:

The Movement for the Establishment of Democracy in Haiti [MIDH], the National Patriotic Movement of 28 November [MNP-28], and the Nationalistic and Progressive Revolutionary Party of Haiti [Panpra], after having worked together in the past and since recent discussions, announce to Haiti and the world their formation of the National Alliance for Democracy and Progress, ANDP. The alliance will work to institute in our Haiti a cooperative democracy, as stipulated in the Constitution of 1987. The three organizations promise to establish a decent, just, and tolerant society (?in a sovereign) Haiti—a different society, in which there is solidarity and cooperation determined to respect human rights.

We are aware of the fact that the historic moment created on 7 February 1986 requires democrats who believe in real change take action. The MIDH, MNP-28 and Panpra share the convictions of the Haitian people, which are no different from those of other peoples all over the world—whether in communist countries, capitalist countries, or Third World countries—who are demanding to live in a society in which they can choose

their leaders through honest elections held at regular intervals and in which ideologies and opinions can be expressed without tragedies.

Thus, the Haitian people are demanding a regime by which the law and rights are respected; their right to choose their leaders in unfettered, honest elections held at regular intervals; their right to be lord and master of their territory; their right to think and express their thoughts freely; their right to proper justice; their right to organize, to receive an education, to eat, to work, to enjoy good health, to have a clean home in which to sleep, and to (own) land.

It is with the intention of satisfying these demands that the MIDH, the MNP-28, and the Panpra have formed the ANDP, to be a political tool based on the principle of dialogue and negotiation with which to solve Haiti's political and social problems. This challenge to save Haiti may seem an impossible one, but with unity and cooperation, it can become a reality.

This ANDP press release dated 10 September 1989 is signed by Michel Gehy, MIDH secretary general, signing for Marc Bazin; by MNP-28 Secretary General Dejean Belizaire for MNP-28; and by Panpra General Coordinator Serge Gilles.

UN Aid Package for Irrigation Announced

*FL1109135089 Bridgetown CANA in English
1545 GMT 9 Sep*

[Text] Port-au-Prince, Haiti, Sept 9, CANA— The United Nations has announced a 3.4 million dollar (U.S.) aid package for Haiti.

The UN's capital development fund (UNCDF) will be providing 3,419,000 dollars for equipment and programme assistance for a gravity irrigation system at Bretelle.

This is part of a larger irrigation plan for the Arcahaie Plain.

The project will also establish a water distribution and management system, help farmers increase their productivity and create a fund whereby villagers involved in soil conservation practices will be compensated.

The UN development programme is providing complementary technical assistance through five UN volunteers.

Jamaica

Dollar Crisis Result of Government Acting Slowly

*FL1109163089 Bridgetown CANA in English
1428 GMT 9 Sep 89*

[Text] Kingston, Jamaica, Sept 9, CANA—Jamaica's opposition spokesman on finance, Bruce Golding, says the government waited too long before acting to stem the decline of the local dollar against its U.S. counterpart.

Golding said new measures announced by government to deal with the exchange rate were, "unfortunate, inappropriate and will have the effect of punishing the patient rather than curing the ailment."

"What started out as a problem that could have been dealt with much less painlessly was allowed to develop into a crisis requiring drastic actions," he charged.

The government has imposed new credit restrictions as well as limits on access to some facilities of the Bank of Jamaica, the country's central bank.

In a statement Thursday, the opposition spokesman said that the signs of a build-up of excess demand in the foreign exchange auction were evident.

Instead of acting promptly, the government sought to outplay the foreign exchange bidders by increasing the supply to a level which it knew it could not sustain for any length of time, he complained.

The result, he said, was that only 44 percent of the auction for the fiscal year had gone, but the government had already spent 52 percent of its total auction budget for the year—an excess equivalent to eight auctions.

He said that one result of this was that the U.S. 8 million dollars currently being made available to each auction would have to be reduced significantly in the near future in order to keep within the budgeted total.

Trinidad and Tobago

GUARDIAN Scores Quality of Police Service

*FL1109131589 Bridgetown CANA in English
1712 GMT 9 Sep 89*

[Text] Port-of-Spain, Trinidad, Sept 9, CANA— The TRINIDAD GUARDIAN newspaper on Saturday condemned Thursday's gun attack on President Noor Hassanali's car.

In an editorial, the paper said: "such an open attack on the head of state or his wife must be regarded as an attack on our country as a whole."

"Were these gunmen, then, trying to tell us all something? Is this an attempt to create a sense of panic among our people? To trigger off general unease? The start of a plot to destabilise us? Or are we dealing with an act of religious fanaticism?"

Mrs Zelayhar Hassanali, wife of the president, was in the car when it was hit by shots from a passing vehicle Thursday night. She was not injured.

The GUARDIAN said, "the calculated and methodical attack by a gunman on first lady Zelayhar Hassanali outside of president's house on Thursday night must shock and outrage every decent citizen of Trinidad and Tobago."

"Whatever the motive behind it, the shooting at Mrs Hassanali must be regarded as a brazen and defiant message from the criminal element that nobody in our country, no matter how distinguished or beloved, is exempt from their mounting terrorism.

"It is a message that must now alert us to the level to which crime has escalated in our country and one that must provoke a ruthless, critical examination of the capacity of the police service to effectively meet this frightening challenge."

Police officers here speculate that the attack was aimed at the president.

But the paper said: "It is quite inconceivable that anyone would want to harm our mild-mannered president or any member of his family."

It said the president and his wife "have won our admiration by their unfailing graciousness and it seems almost sacrilegious that they should be victims of this kind of violent terrorism."

The paper saw the attack as underscoring the need for improving Trinidad and Tobago's "crime fighting capacity."

The paper complained that "the criminals are becoming more violent and more brazen, and the popular perception—whether those in authority want to accept it or not—is that the police service is not really up to the job of adequately protecting our society."

"A whole new revolution in technology in police surveillance, crime fighting and detection has passed by. Basically, our police methods are the same as in colonial times. And ... There is rampant corruption in the service. On the other hand, the villains grow in technique, cunning and ruthlessness."

Mexican-U.S. Navies Join Drug Trafficking Fight

PA1109201589 Mexico City NHTV Television
in Spanish 0200 GMT 7 Sep 89

[Text] Vice Admiral Gustavo Orozco Peralta, commander in the Gulf of Mexico and Caribbean Sea area, said today that Mexican and U.S. Navy airplanes, helicopters, and vessels will increase their coordinated operations to fight drug trafficking by sea. He added that this will be the first time the two countries may eradicate in a coordinated manner the drugs smuggled into the United States.

[Begin recording] [Orozco] The Mexican Navy's material and personnel will carry out Mexican plans and be led by a Mexican staff. Coordination will be established for certain information. Perhaps they can help us with certain material to make our mission and work more effective.

[Reporter] Does this undermine our sovereignty?

[Orozco] Of course not. Any factor that may cast doubt on Mexico's freedom to exert its full sovereignty over its jurisdictional waters, will be wholly unacceptable. [end recording]

Commander Orozco Peralta said the U.S. Government has recognized work by the Mexican Government to combat drug trafficking in the Gulf of Mexico and the Caribbean.

[Begin Orozco recording] Everything indicates that their interest stems from their recognition of the work done by the Mexican Government in helping the United States deal with the arrival of drugs and narcotics on their coasts. This recognizes our work and shows the need to coordinate their work with us so we can stop or help them stop this problem affecting U.S. society. [end recording]

No Foreign Intervention Allowed in Antidrug War

PA1109172089 Mexico City Red Nacional 13
Imevision Television 1300 GMT 11 Sep 89

[Text] Mexico will not allow foreign intervention in issues dealing with narcotics trafficking, (Javier Barros Valero), the under secretary of foreign relations, has said. He added that it is the responsibility of the Mexican authorities—and not of the foreign legions who are in our national territory as observers—to combat the narcotics trafficking in our country.

The official added that the antidrug struggle in Mexico is being waged as a frontal assault on the drug traffickers for national security reasons and because of our nation's interest in cooperating with other nations to wipe out drug trafficking.

Lawmakers Voice Support for Colombia's Drug War

PA1209043089 Mexico City EXCELSIOR in Spanish
31 Aug 89 pp 5-A, 22-A

[Report by Aurelio Ramos M.]

[Excerpt] On 30 August the Standing Congressional Committee expressed solidarity with the Colombian Government's struggle against drug trafficking, and said that Colombia has nothing to do with the factors that have created or fueled this antisocial phenomenon.

In addition, the committee demanded that any international assistance given to Colombia to fight the drug traffickers not entail a violation of Colombian sovereignty or an intervention by foreign forces in matters which are the exclusive concern of Colombians.

The commission approved a proposal in this regard that was sponsored by Popular Socialist Party Deputy Modesto Cardenas Garcia. The approval was seconded by Deputies Maria Elena Chapa and Gonzalo Martinez Corbala and Senator Julian Gascon Mercado, all from the Institutional Revolutionary Party, as well as Deputy Jesus Ortega Martinez, from the Party of the Democratic Revolution.

The Standing Committee added that it trusts the Colombian Government "will know how to bring to fruition the peace talks" which are currently being held by that country's political forces, "not allowing them to be foiled by adverse factors stemming from the struggle against the international drug traffic."

Upon submitting his proposal, Cardenas Garcia noted that Colombia is experiencing one of the dramatic times in its history, that the Colombian Army has taken control of Medellin, and that the country is virtually in a state of war.

He said that drug trafficking is just one of the many problems faced by that nation, which is also plagued by a guerrilla war and forays of paramilitary groups. He said that "some powerful groups do not want Colombia to tread the path of democracy and peaceful coexistence among its political forces." [passage omitted]

Veracruz Commission Ratifies PRI Victory

PA1109183089 Mexico City Red Nacional 13
Imevision Television in Spanish 1300 GMT 11 Sep 89

[Text] The Veracruz State Electoral Commission on 10 September ratified the victory of the Institutional Revolutionary Party [PRI] in the legislative elections. The chairman of the state commission [Angel Diaz] announced the PRI's victory in the 24 electoral districts. He added, however, that all political parties have 72 hours to file any complaints before the State Electoral Disputes Tribunal. On 17 September, the commission will verify the vote count for deputies, while the Electoral Tribunal will convene on 20 September to evaluate the elections.

[Begin Diaz recording] As the State Electoral Commission reported, and as it is public knowledge, the 3 September elections were held in an orderly and calm fashion. The political parties complied with the law and their commitments, as established unanimously in the 10 August document. In general, this has been a peaceful, legal, respectful, and responsible process.

The people have voiced their will at the polls, and for the first time in history, the ballot boxes were transparent. The participation by the political parties was higher than in previous years, and all parties ran with their own candidates and representatives in all districts. [end recording]

Belize

Opposition Member Joins Ruling Party

[By Norris Hall]

FL0909015989 Bridgetown CANA in English
2002 GMT 8 Sep 89

[Text] Belmopan, Belize, Sept 8. CANA—The fragile parliamentary majority of the new People's United Party [PUP] government under Prime Minister George Price was strengthened Friday when an opposition member announced he was switching sides.

The change of heart for William Usher, the United Democratic Party [UDP] representative for the Toledo West constituency, increased the PUP's seats in parliament to 16, against 12 held by the UDP.

Usher defeated the PUP candidate Samuel Vernon by 151 votes in Monday's general election.

He announced his intention to join the PUP during swearing-in ceremonies for the new Price government by the governor general Dame Minita Gordon in Belmopan.

PUP officials have said that they expect two more opposition representatives to cross the floor, but gave no names.

In an interview with CANA, Usher said that "the main reason (to join the PUP) is that on my campaign I made certain promises to the people in my constituency and they are looking forward to that. In the opposition I will not get much done in my division."

He added: "I am not a party fanatic and as a young person getting into politics I am prepared to work with the People's United Party and this won't be a problem as long as my people and my constituency get what they need."

Usher said that he has informed Price and the PUP chairman, said Musa, of his decision and that he has been accepted to join the government side of the House of Representatives.

Earlier this morning the former deputy prime minister, Mr Curl Thompson slammed down his telephone on CANA's correspondent in Belize.

Costa Rica

Fernandez To Head ICAN, PANORAMA

PA0909142989 San Jose LA NACION in Spanish
28 Aug 89 p 4-A

[Article by Nelson Murillo]

[Text] Former Information Minister Guido Fernandez confirmed yesterday that, as of 1 November, he will be director of the International Central American News (ICAN) news agency and the weekly magazine PANORAMA, two new members of the media.

"I made the decision on Thursday. Meanwhile, I will be working on the same projects that I undertook when I left my cabinet post. I have been editing the book 'The Challenge of Peace in Central America,' which is already in the hands of the Costa Rica Publishing House and preparing a paper entitled, 'The Ethics of Journalism in Central America,' for the University of Florida," Fernandez said.

Asked about his upcoming duties, Mr Fernandez said that ICAN "is an ambitious, solid enterprise that is sorely needed at this time on the isthmus." He admitted that since he left the Information Ministry on 15 June, "I have had several job offers, but I would rather not comment on them now."

The ICAN agency will have its head office in San Jose, and will have offices in the capitals of the countries of the region as well as in Washington D.C.; Brussels, Belgium; Rome, Italy; and the Vatican.

As Dr Vittorugo Mangiavillani, editorial director of the Grupo de Comunicaciones Internacionales S.A., said yesterday, Mr Fernandez will also be responsible for PANORAMA, a weekly magazine that will deal with politics, culture, the economy, and sports. Initially PANORAMA will be edited in Guatemala and Costa Rica.

The Grupo de Comunicaciones Internacionales, S.A. is headed by Mrs Donatella Zingone Dini, an Italian citizen who has vast experience in investing in our country.

Mangiavillani explained that "the appointment of Mr Fernandez was based on his professional career in Central American journalism."

Mr Fernandez, who began in his profession at the age of 15 in the now defunct DIARIO DE COSTA RICA, was director of LA NACION from 1968 to 1980, when he went on to direct and participate in several television programs.

He has also held the posts of government minister, ambassador to Washington, and information minister during the current administration of President Oscar Arias.

He has written four books—two on the theater; one on South Africa, Sweden, China, and Nicaragua; and the latest on the presidential campaign of Oscar Arias, entitled "The First Sunday in February."

According to plans, the ICAN agency will officially begin operations on 15 November. By then, the weekly magazine PANORAMA should already be in circulation.

El Salvador

Further Developments on FMLN-Government Talks

Comparison: FMLN 7 Sep Proposal

PA1109031289

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 11 September broadcasts the

communique of the Farabundo Marti National Liberation Front's [FMLN] final proposal to the Salvadoran Government. The (Clandestine) Radio Venceremos version has been compared to the Radio Cadena YSU version, published in the 8 September Latin America DAILY REPORT, page 6, column one, subheaded "FMLN Communique on Talks," and is found to be identical, with the following exceptions:

Column two, fourth full paragraph, sentence one, in the Radio Venceremos version: 5. Stop using land mines [minas de pateo] and booby traps in all the areas that the Army has mined, and which have caused.... (supplying additional material)

Same column, last paragraph, in the Radio Venceremos version: [Signed] FMLN General Command: Commanders Francisco Jovel, Eduardo Sancho, Jorge Shafik Handal, Salvador Sanchez Ceren, Joaquin Villalobos

[Dated] El Salvador, 7 September 1989 (supplying FMLN General Command members' names)

10 Sep Communique on Talks, Truce

PA1109164289 San Salvador Radio Cadena YSKL
in Spanish 1500 GMT 11 Sep 89

[Report on communique issued by the FMLN General Command on 10 September in El Salvador]

[Text] After nearly 10 years of war, the government and the Salvadoran guerrillas will hold talks in an effort to find a political solution to the conflict that has taken 70,000 lives. The FMLN has just announced its position concerning the delegation that will represent the guerrillas in these talks.

We were in contact a few minutes ago with the FMLN, who issued a communique which specified that the delegation will be led by Commander Joaquin Villalobos. The communique also announced a unilateral 10-day truce. We now bring you an excerpt of the FMLN communique:

[Begin recording] Concerning the forthcoming dialogue between the FMLN and the Salvadoran Government, the FMLN hereby notifies the Salvadoran people and the international community:

1. The FMLN delegation will be led by Commanders Joaquin Villalobos and Jorge Shafik Handal and members of the FMLN political-diplomatic commission.

2. In order to create the best possible atmosphere for the dialogue meeting with the government, for the March for Peace convoked by the Permanent Committee for National Debate and slated for 15 September, and for a UN mission visit to our country slated for 19-22 September, the FMLN General Command has ordered a 10-day unilateral truce beginning at 0000 13 September and running through 2400 23 September.

3. In view of the fact that the Salvadoran Government has notified us through the Archbishop's Office that it will invite Msgr Romeo Tobar Astorga to the dialogue meeting, the FMLN also wishes to invite Msgr Tobar Astorga, as long as the government agrees to invite the representative of the UN secretary general to participate in the dialogue meeting along with Msgr Tobar Astorga.

4. The FMLN reiterates the need for the political parties and the social forces of El Salvador to be an active participant in the dialogue process that begins on 13 September.

5. The FMLN has been very flexible in its stand by ordering a unilateral 10-day cease-fire, by sending a high-level delegation, by accepting that the dialogue be held abroad, by accepting the government's commission, by ordering unilateral actions that are highly important, and by being willing to discuss a cease-fire as a priority issue. However, we are concerned that Mr Cristiani and his government are hindering the forthcoming dialogue meeting slated for 13 September by opposing the logical and necessary presence of international witnesses, moderators, national and international observers, and by wanting to have an obscure and closed dialogue.

This leads one to think that there is no willingness to hold such a meeting, or that there is bad faith in holding the talks, and therefore the presence of third parties is feared, though these parties are necessary for such basic issues as notifying the parties involved. We hope Mr Cristiani will set aside his inflexible stand so the forthcoming meeting will be held.

[Issued] El Salvador, 10 September 1989 [end recording]

Rosa Chavez on Prospects, Role

PA1109173189 Hamburg DPA in Spanish 1550 GMT
11 Sep 89

[Text] Mexico City, 11 Sep (DPA)—Msgr Gregorio Rosa Chavez, Salvadoran auxiliary bishop appointed to witness the dialogue between the Salvadoran Government and guerrillas, expressed doubts on his arrival in Mexico that the parties will reach an agreement on a cease-fire. The bishop told reporters that President Alfredo Cristiani's extreme rightist government should have appointed ranking Army officers to the negotiating delegation that will meet here on 13 and 14 September with FMLN leaders.

Rosa Chavez said that the church's role in the first direct talks between the government and guerrillas in 2 years will be to act as a witness "to prevent mutual accusations and intransigence, so that someone can testify as to what really happened."

The government and guerrillas disagree as to what the bishop's role should be in the talks. The guerrillas want him to act as a moderator, while the government wants to minimize his role.

The bishop, however, stressed that the talks "will not be just one more meeting," because substantial points could be discussed in trying to find a peaceful solution to the Salvadoran civil war that has taken more than 70,000 lives in more than 9 years.

Cristiani on Cease-Fire, Optimism

PA1209032189 San Salvador EL DIARIO DE HOY in Spanish 11 Sep 89 pp 11, 42

[Text] President Alfredo Cristiani has announced that the Armed Forces will suspend antiterrorism operations if the subversives maintain their promised cease-fire to help the talks with the government in Mexico City.

If the FMLN suspends all types of hostilities, the Army will adopt a defensive position, the president told a group of local journalists. He stressed that the Armed Forces cannot neglect the security of citizens and defense of public order.

Cristiani expressed optimism about the possible results of the talks between his representatives and those of the FMLN and he announced that Catholic Church leaders will act as observers in the talks.

San Salvador Auxiliary Bishop Gregorio Rosa Chavez said yesterday he and Zacatecoluca Bishop Romeo Tobar Astorga had agreed to participate as witnesses in the dialogue to be held in Mexico.

President Cristiani said that the priority in this first meeting will be to formally begin and establish guidelines for the dialogue process as well as to take concrete steps that will not defraud the people's expectations and that will ultimately lead to the members of FMLN rejoining democratic life.

The president viewed as "positive" the FMLN's decision to halt the attacks on the nation's economy and the use of mines.

Cristiani said this decision falls within the framework of an exchange of gestures of goodwill by both sides. On the government's part, it includes an amnesty for a group of wounded subversives who want to leave the country, and on the FMLN's part, it includes the suspension of hostilities.

"By forming the government's dialogue commission, we have taken an important step to talk with the FMLN and to seek solutions in favor of peace and democracy," he added.

He added that everything is ready for the meeting on 12 and 13 September. In reply to journalists' questions, President Cristiani said that the government delegation is prepared to extend the meeting beyond the established dates.

The president believes that the Marxist subversives' dialogue proposal forms part of the process of detente and reforms currently being carried out in the Soviet Union.

"It has also been significant that the deputy chairman of the Supreme Soviet has stated that he accepts and recognizes the legitimacy of the Salvadoran Government," the president added.

Cristiani expressed hope that the dialogue process will be held with clear political resolve and that the objective of reestablishing harmony among Salvadorans will prevail in the talks.

Army To Ignore FMLN Cease-Fire

PA1109234489 Buenos Aires REUTER in Spanish 2117 GMT 11 Sep 89

[By Alberto Barrera]

[Excerpts] San Salvador, 11 Sep (REUTER)—A high-ranking military officer has stated that the Salvadoran Army will ignore a cease-fire announced today by leftist rebels and intended to ease the dialogue with the government scheduled to be held this week in Mexico. The FMLN announced today that it will order an 11-day [number as received] cease-fire, effective Wednesday [13 September] to create a favorable climate for the peace talks. However, the Army has said it will continue its counterinsurgency action as long as there is no order to the contrary from President Alfredo Cristiani. "We cannot ignore our constitutional duties," Colonel Rene Emilio Ponce, Armed Forces chief of staff, told a group of journalists. He added: "We greatly distrust this type of announcement."

An FMLN spokesperson said in Mexico City today that the meeting will be held somewhere in Mexico on 13-14 September. The Salvadoran Government had said last week that the dialogue would begin on Tuesday, 12 September.

"We are going to observe the dialogue closely," Col Ponce said. He added that the evolution of the talks "will be long, and the Salvadoran people should not harbor false expectations."

"Everything that the rebels are doing is to gain publicity and win international prestige," Ponce said when he rejected the rebels' gesture.

The FMLN said its delegation will be led by Commanders Joaquin Villalobos and Jorge Shafik Handal.

"In the end, he has understood that armed struggle makes no sense," Col Ponce said about the participation of Villalobos, who is considered the top rebel leader.

FMLN Communique on Army Actions

PA1209014589 (Clandestine) Radio Venceremos in Spanish to El Salvador 0022 GMT 12 Sep 89

[Communique issued by the Farabundo Marti National Liberation Front, FMLN, in El Salvador on 11 September]

[Text] 1. While the FMLN declares a unilateral 10-day truce as a good-will gesture to create favorable conditions for negotiations with the government, the Arce

Battalion, which has maintained its positions south of the Torola River, is now moving toward northern Morazan Department, an area under our control. The Atlacatl Battalion has also entered FMLN territory in Chalatenango Department.

2. This clearly reflects the attitude of the government and the Army toward our gestures of flexibility. They have responded with military actions.

3. All this is taking place in the framework of the dialogue scheduled to take place in Mexico, in the framework of the 15 September Independence Day celebrations, and especially when the FMLN is making gestures of good will, seriousness, and flexibility, thereby responding to our people's desire for peace.

[Dated] 11 September 1989, El Salvador

Rebels Issue Weekly Roundup of Military Actions

PA1109022989 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 11 Sep 89

[Text] Following is our weekly roundup of military actions for the week of 3-9 September:

We caused 209 Army casualties, which include 1 captain who was in command of the Cacahuatique Battalion, 2 lieutenants, 1 sergeant, and 1 corporal; and we captured 6 prisoners, including 1 corporal. We also damaged two helicopters and two vehicles; and destroyed four other vehicles.

The materiel and weapons seized from the enemy include 39 rifles; 1 90-mm mortar; 2 M-60 machineguns; 3 M-79 grenade launchers; 3 M-72 light antitank weapons; 5 PRC-77 communication radios; 68,000 rounds of M-16, 5.56-mm, and 7.62-mm ammunition; and 41 military backpacks.

We also carried out 11 ambushes against the enemy troops' land transport vehicles. Referring to sabotage actions on the electric system, 81 structures were destroyed. As part of the sabotage actions against the economy, we destroyed 1 manzana of coffee plants and 40 bags of fertilizer, and we killed 4 purebred horses owned by the oligarch Prudencio Yanez.

Guatemala

Bombs in Capital Injure 2 Policemen 9 Sep

PA1009181689 Panama City ACAN in Spanish 1639 GMT 10 Sep 89

[Text] Guatemala City, 10 Sep (ACAN-EFE)—Two policemen were injured and 13 business establishments were destroyed as the result of two terrorist attacks last night in the Guatemalan capital.

Guatemala City Fire Department spokesmen reported that the bombs went off at approximately 0400 GMT on 10 September in a residential area in the southern part of the city.

The sources added that the first bomb exploded in a public building, injuring 2 policemen and destroying 13 business establishments. However, the amount of damage has not yet been determined.

The sources also said that unidentified men hurled a grenade at the "Camino Real" Hotel, to the south of the capital, but when it exploded it only made a hole in the ground.

This week Defense Minister General Hector Alejandro Gramajo accused Army dissidents, extreme right-wingers, and private enterprises of being directly responsible for the Guatemalan terrorist acts.

In less than 1 month, 11 leaders of the Association of University Students have been kidnapped by unidentified men. The police have said they have clues concerning the students' whereabouts, but have not disclosed them.

Authorities Find Bodies of 4 Abducted Students

PA1009212789 Paris AFP in Spanish 1926 GMT 10 Sep 89

[Text] Guatemala City, 10 Sep (AFP)—Official Guatemalan sources have reported that the bodies of four of the nine Guatemalan university students who have been kidnapped over the past 2 weeks by death squads were found today near the university campus in the southern part of Guatemala City.

The victims, whose bodies showed signs of having been tortured and cut with knives, were identified as Silvia Maria Azurdia and Victor Hugo Rodriguez (a married couple), both studying at the San Carlos University Political Science School; and Carlos Humberto Cabrera Rivera, a teacher leader. These three people disappeared on 23 August. In addition, the authorities identified the body of Leonel Chuta Camey, of the Legal and Social Science School, who was abducted on Friday, 8 September.

According to preliminary reports, the bodies were taken to the Guatemala City Judicial Morgue.

The discovery of the bodies increased the tension that prevails in the country and made Guatemalans fear that the other five missing students may have faced the same fate.

Meanwhile, the police said yesterday, 9 September, that it does not have "any clues" on the kidnappers' identity.

3 More Bodies Found

PA1209011489 Paris AFP in Spanish 2336 GMT 11 Sep 89

[Text] Guatemala City, 11 Sep (AFP)—It was officially reported that the mutilated and bullet-riddled bodies of

three more unidentified Guatemalans were found today in northwestern Guatemala City, bringing to seven the number of victims of death squads found over the past few hours.

The bodies were found this morning near Belice bridge, in the capital's Sixth Zone. The hands of two of the bodies had been cut off.

The triple murder comes only 24 hours after the bodies of four university students, one of them a woman, were found near the University of San Carlos (USAC). They had been kidnapped in late August.

The four university students, who according to authorities had also been the victims of "brutal torture," were buried today in a local cemetery amid a climate of indignation and fear among citizens.

Meanwhile, Government Minister Roberto Valle said approximately 3,000 policemen have been carrying out an "intense operation" to find those responsible for the kidnappings.

He also said the killing of students is "a maneuver by extremist groups that want to erode the government" of Christian Democrat Vinicio Cerezo.

Several opposition deputies today asked for the establishment of a state of emergency, but Minister Valle replied that "for the time being, such a measure is not necessary."

Meanwhile, President Cerezo remains silent about the new outbreak of violence and the activities by the death squads which, according to various sectors, act "with impunity in broad daylight."

URNG Leader Pablo Monsanto Interviewed

PA1109042389 Havana International Service
in Spanish 0000 GMT 1 Sep 89

[Interview with Pablo Monsanto, Guatemalan National Revolutionary Unity (URNG) General Command member, by Juan Jose Veira; date and place not given—recorded]

[Text] [Veira] Commander, what can you tell us about the recently signed Tela Agreements?

[Monsanto] We believe the Tela Agreements contain two very positive aspects. The first deals with demobilizing the Nicaraguan contra movement. That aspect represents the political defeat of the U.S. policy to defeat or to try to overthrow the Nicaraguan revolutionary government. The second very positive aspect of the Tela Agreements is the acknowledgement of the armed conflict that exists in El Salvador, of the force that the FMLN [Farabundo Marti National Liberation Front] represents, and of the need for Salvadoran President Cristiani to sit down at the negotiating table with the FMLN, the group that represents the majority of the Salvadoran people, to find a political solution to the conflict. There is a third aspect to the Tela Agreements,

that refers to armed groups in other Central American countries. The Tela Agreements call on those groups to join the political world of their respective societies. That part of the agreements obviously includes us.

We would like to say that it seems to us that President Cerezo presented an image of the situation in our country that does not correspond to the reality the Guatemalan people are experiencing. In Guatemala there has been an internal, armed conflict for over 25 years. The URNG General Command has proposed many initiatives to try to find a political solution to that conflict.

In addition, at present Guatemala is experiencing a difficult, complex, and chaotic situation. There is no control in this country. There is also a power vacuum. Thus, it is impossible to fulfill the Tela Agreements concerning the democratization process demands.

The national dialogue in Guatemala is incomplete, because not all the forces that should participate in it are participating. That is because Guatemala is experiencing a very difficult situation. The country is facing a dilemma. Repression and militarization have increased; democratization has not been possible in Guatemala. We have been unable to conduct that process, because the figures who control the Army, in other words, Cerezo's and Gramajo's [Guatemalan Defense Minister] group has not allowed the democratic participation of all groups in the national dialogue, which is what the Esquipulas II Agreement demanded.

[Veira] Commander Monsanto, what are the true possibilities that the current national dialogue will contribute toward implementing the Tela Agreements?

[Monsanto] As we said before, the Tela Agreements consider the national dialogue to be a possibility which would democratize Guatemala. The agreements also say that the National Reconciliation Commission is the leading force in the national dialogue. The truth is that the national dialogue has taken place amid many limitations, including the fact that the National Reconciliation Commission has not yet found the needed atmosphere to develop a dialogue. All the members of the commission are threatened.

The possibilities for participation by all the popular and democratic groups and revolutionary forces in the dialogue are limited by the group headed by Gramajo, the one that currently controls the Guatemalan Army. That group puts pressure on Cerezo and advises him not to fulfill the needs to develop the national dialogue. The popular and revolutionary forces demanded a national dialogue even before the signing of the Esquipulas II agreement.

However, despite all the limitations, we have proposed a number of initiatives to hold a national dialogue in a different atmosphere. The URNG General Command believes that it is necessary to create basic conditions in Guatemala to hold a truly fruitful dialogue. Those basic conditions must necessarily include the elimination of repression and the militarization process and the end of

human rights violations, which are so frequent here in the country. The conditions also include the acknowledgement of all political forces and of the role that all popular forces should play in the country's development. Thus, the URNG has proposed a dialogue that includes the government, the Army, and all the country's political forces to create those conditions. In other words, we must jointly adopt necessary measures to create basic conditions and therefore guarantee the participation of all groups in a national dialogue that should solve the internal, armed conflict and adopt measures that lead to the country's democratization.

[Viera] Commander, what can you tell us about the current status of the Guatemalan revolutionary forces, of the guerrilla movement?

[Monsanto] The URNG has been waiting for a government and Army response to its proposals concerning a political solution to the armed conflict. We have been waiting for that response for years. During that time, we have developed our organizations through daily clashes with the Army. The Army is determined to find a military solution to the conflict.

Since 1987, the Army has been trying to defeat us militarily. In 1987, the Army launched its biggest offensives and the URNG defeated them. The URNG developed within that framework. Over the past few years, we have gained territory and increased our influence on the population. At present, we operate 40 km away from Guatemala City. We have increased our attacks on military detachments and bases. We have increased the number of ambushes and daily clashes with the Army. At present, we are harassing three military detachments in Quiché Department every day. We are leading the Army into attrition. The Army has sustained over 2,200 casualties thus far this year.

The Army has increased the number of troops and the amount war resources. One of the important elements we must point out—one that characterizes the current internal, armed conflict—is the participation of U.S. officers and troops in the Guatemalan military conflict. In other words, there are U.S. advisers, engineers, and doctors in Guatemala.

At present, there is an attempt to conceal U.S. military aid under the cover of the struggle against drug trafficking in our country. We view that attempt as real and very dangerous, because the U.S. Congress would never limit that kind of aid.

In other words, the U.S. Government would give the Guatemalan Army and Government much more military aid—hidden under the struggle against drug trafficking—than what it has given the Guatemalan Army in the struggle against our people thus far.

Honduras

Government Calls New Panama Government 'de Facto'

PA0809142189 Paris AFP in Spanish 0347 GMT
6 Sep 89

[Text] Tegucigalpa, 5 Sep (AFP)—The Honduran Government described the new Panamanian administration headed by Francisco Rodriguez as a "de facto" government. Rodriguez was appointed by Panama's strongman General Manuel Antonio Noriega.

Presidential Press Secretary Lisandro Quesada said that Honduras supports legal governments across the continent, but the Panamanian Government is not the result of a "popular, free, and honest election."

The spokesman explained that while this situation persists, the Jose Azcona government will not appoint an ambassador to Panama. The Honduran ambassador was withdrawn at the beginning of 1988.

The Honduran diplomatic mission in Panama is currently headed by the mission's secretary [secretario].

Quesada denied that U.S. pressure was involved in Honduras' decision to adopt this position toward Panama.

The United States has not recognized the new Panama Government and has said that it will not have any diplomatic dealings with that country.

President of Congress Views Drugs, Alcoholism

PA1109204189 Tegucigalpa Voz de Honduras Network
in Spanish 1145 GMT 11 Sep 89

[Report on interview with Carlos Orbin Montoya, president of the Honduran Congress; date and place not given]

[Text] We asked Carlos Orbin Montoya, president of the Honduran Congress, why nothing been done up to now about improving the electoral census as it includes a large number of foreigners.

[Begin recording] [Orbin Montoya] With all respect due to the political parties and their members, on Tuesday we will take the Electoral Tribunal members to Congress so they can explain the current situation of the census. We have heard reports about some exaggerated and very disturbing figures. If that were true, we are then confronted with a very difficult situation. However, we want to hear what the Electoral Tribunal has to say so it can clarify the situation before Congress and answer questions. [end recording]

We must ask the members of the Tribunal Electoral why such accusations have been made. Naturally, this will lead to very strong reactions among the various groups in legislature.

Meanwhile, Carlos Orbin Montoya also commented on the new drug legislation and he told us it will provide legal instruments for adopting strict measures in Honduras through the agreements that have been signed with the United States in order to fight drugs, and so that the Honduran youths will not fall into situations that we would all regret. He also announced that should our youths have such problems, rehabilitation centers would be established in Honduras. This would be very important.

However, the government of the Republic is adopting measures to prevent our youths from falling for drugs or for Hondurans to become involved in drug trafficking. The measures are very strict, and severe. He also announced that alcoholism in Honduras is perhaps a more serious problem right now, because there are many local beverages that are 45 percent proof. We must issue legislation to reduce the alcoholic content of local beverages.

[Begin recording] [Orbin Montoya] The countries that are south of the United States are subject to the problem of drug trafficking. We have appointed a commission which specializes in that field. We have also attended several parliamentary meetings to unify legislation in order to fight jointly this problem. The world was shaken over the murder of Carlos Galan, a Colombian Liberal Party leader, and this has provoked action on the part of parliaments throughout the world.

The narcotics trafficking control commissions of several countries have worked on this. A Honduran commission presented a draft law that has been approved. Drugs are a modern scourge and therefore our legislation was not up to date on punishing a crime as serious as this. Therefore, we needed special legislation on this.

[Reporter] Recently, there have been cases where several Hondurans have been captured for being involved in drug trafficking.

[Orbin Montoya] This happens every day. I believe President Bush was very interesting, as he offered technical and economic support to fight this situation. The problem is the U.S. market, evidently. As Bush said, this has to be fought door-to-door, from child-to-child so they will not become consumers. The market is what leads to those multimillions of dollars. There are such extraordinary amounts in trafficking, that there is no country, force, or institution that is not undermined by the millions that move in drug trafficking.

[Reporter] We know there are many aspects contemplated in the law recently approved here in Honduras that will counter these actions. We want to know how a rehabilitation center will operate and how we will combat local use?

[Orbin Montoya] There is very low drug consumption in our country. It does not have a major significance. Alcoholism is a more serious problem. Millions of lempiras are lost every hour, wasted by the various work groups in our country that fall to alcoholism. I believe the Rehabilitation Institute will help, but we must also

adopt other measures, such as reducing alcoholic contents of the local beverages. We have beverages that are 45 percent proof. We need more feasible regulations to this effect. I am planning to do this, but evidently our country is being bombed by the publicity from abroad on alcoholic beverages, drugs, cigarettes, and so forth. That is a cultural, educational problem that we must solve in the home. [end recording]

4 Officers Die in Crash During Exercises

*PA10909154189 Paris AFP in Spanish 1503 GMT
9 Sep 89*

[Text] Tegucigalpa, 9 Sep (AFP)—Official sources reported today that four Honduran Armed Forces officers died and three were injured when a helicopter participating in joint maneuvers with the U.S. Army crashed Friday night.

A brief preliminary report states that apparently the helicopter—a Bell 415—was struck by lightning at approximately 2115 local time (0315 GMT) near the Torre de San Antonio neighborhood, Villanueva Municipality, 240 km northwest of Tegucigalpa.

The dead officers were identified as Lt Col Daniel Tabora Talboth; Lt Col Wilfredo Mendoza Garay, commander of the air base in the northern city of San Pedro Sula; Capt Nelson Reyes; and Lt Nelson Henriquez.

UN Observer Group Arrives in Tegucigalpa 10 Sep

*PA1209000489 Tegucigalpa Voz de Honduras Network
in Spanish 1145 GMT 11 Sep 89*

[Text] The remaining members of the UN Group of Observers to Central America, ONUCA, arrived in Tegucigalpa yesterday, 10 September, thus completing the mission group that consists of 18 members.

Today, the ONUCA mission will meet with Honduran Foreign Ministry officials and Honduran Armed Forces officers. These meetings are part of an agenda that may include a visit to Nicaraguan contra camps located near the border with Nicaragua in eastern Honduras.

In addition, during an interview with the press, Commander Johnson, one of the Nicaraguan Resistance [RN] spokesmen in Tegucigalpa, said that a contra political-military commission is ready to meet with the ONUCA members. Commander Johnson said Colonel Enrique Bermudez, RN General Staff member (Ruben Climat), and contra political representative Aristides Sanchez comprise the contra commission. All the contra leaders are already in Tegucigalpa.

Commander Johnson added that this contra commission will also be in charge of conducting the negotiations with the Nicaraguan Government as it is established in the plan for the contra demobilization. According to the plan agreed upon by the Central American presidents in

Tela, Honduras on 7 August, the Nicaraguan guerrilla movement must be demobilized between 7 September and 7 December 1989.

Honduran Foreign Ministry Spokesman Emilio Castro Claramont said this week that the blue berets have a contingency plan in case the contra rebels refuse to abide by the demobilization plan.

The visit of the ONUCA mission to Honduras is part of its tour through Central America. The mission began its tour in Costa Rica, has already visited Nicaragua, and is now in Honduras before visiting El Salvador and Guatemala. The ONUCA mission is led by Brazilian General Pericles Ferreira Gomez, who heads the UN peacekeeping forces known as the blue berets. [Name indistinct], the second in command of the ONUCA mission, arrived in Tegucigalpa on 8 September along with mission members Roberto Preston, assistant political affairs adviser; and Donald Stuart, UN peacekeeping forces operations chief.

Sometime between today and Wednesday, 13 September, the ONUCA mission will travel to eastern Honduras near the border with Nicaragua to visit an area where approximately 13,000 contra combatants, members of the Nicaraguan armed opposition, are stationed.

The ONUCA mission consists of 18 representatives from Spain, the FRG, Canada, Fiji, Venezuela, Peru, and Sweden. On 23 September the mission will present a report to the UN secretary general in New York.

Nicaragua

D'Escoto on Improving Relations With Arab World

JN1109155089 Kuwait AL-RAY AL-AMM
in Arabic 10 Sep 89 pp 1, 18

[By 'Abdallah al-Qaq]

[Excerpts] High-level diplomatic sources have informed AL-RAY AL-AMM that Nicaraguan President Daniel Ortega will visit a number of Arab countries, including Kuwait, during a tour of the region soon. The sources informed AL-RAY AL-AMM in Belgrade during the nonaligned summit that President Ortega is looking forward to visiting the countries in the region and establishing firm relations with them. President Ortega met his highness the amir on the sidelines of the non-aligned summit. Nicaraguan Foreign Minister d'Escoto told AL-RAY AL-AMM in Belgrade that his country is hoping to establish strong and firm relations with all the Arab countries, especially the Gulf states. He added that his country will open an embassy in Abu Dhabi. D'Escoto said that his country is stable and that the rebels and mercenary forces have been defeated—thanks to the Sandinist forces, the awareness of the Nicaraguan people, and their firm position against conspiracies woven by some parties together with mercenaries to topple the government in Nicaragua. [passage omitted]

AL-RAY AL-AMM asked D'Escoto whether his country approves holding the nonaligned summit in Kuwait. He said that his country, which has been nominated to hold the next Nonaligned summit, is ready to back down in favor of Kuwait in light of the latter's support and positions on various nationalist issues.

AL-RAY AL-AMM has learned that there is disagreement concerning where to hold the next nonaligned summit. Indonesia is asking to host it and is being backed by the Islamic countries. On the other hand, Nicaragua is asking to hold the summit and is backed by the Central American states. [passage omitted]

Assembly President Leads Delegation to USSR

PA1209023089 Managua BARRICADA in Spanish
11 Sep 89 p 5

[Text] At the official invitation of the Presidium of the USSR Supreme Soviet, a delegation of the Nicaraguan Parliament is visiting the Soviet Union from 10 to 17 September. The delegation is led by Commander of the Revolution Carlos Nunez Tellez, president of the National Assembly, and includes the following:

Clemente Guido, vice president of the National Assembly and representative of the PCDN [Democratic Conservative Party of Nicaragua];

Ray Hooker Taylor, member of the Foreign Commission and representative of the FSLN [Sandinist National Liberation Front];

Angela Rosa Acevedo, member of the Foreign Commission and representative of the FSLN; and

Maria Esperanza Valle, director of International Relations [name and title as published].

The delegation will meet with high-ranking Soviet officials and parliamentarians to exchange views on the Central American peace process and the development of perestroika and glasnost. This will permit the strengthening of the ties of friendship and cooperation between the parliaments and peoples of the two countries.

Human Rights Figure on Obstacles to Jail Visits

PA1109213389 Managua Radio Corporacion
in Spanish 1200 GMT 6 Sep 89

[Interview with Lino Hernandez Trigueros, executive secretary of the independent Permanent Committee for the Defense of Human Rights, by unidentified reporter; date and place not given—recorded]

[Text] [Hernandez] I am particularly concerned about the fact that the government—only 1 week after Commander Tomas Borge said in a public speech that any international organization would be allowed to visit any jail—has not yet allowed the International Red Cross Committee, which he mentioned in that speech for publicity purposes, to visit State Security jails.

The International Red Cross Committee has announced that it conducted a census in the jails it was allowed to visit. We must point out that this committee has not yet been given access to the nine main State Security jails throughout the country. Meanwhile, we are also drafting our own list to make it public.

We have encountered problems, especially in regard to the individuals who were recently released in Nueva Guinea, in the country's northern area. During his visit to Nueva Guinea, Commander Daniel Ortega released 170 individuals, and, according to him, they were released by virtue of his powers as president of the Republic. We must note that there are laws in Nicaragua that must be followed. Commander Ortega cannot just release individuals. He must submit a bill to the National Assembly asking for their pardon.

For example, there has been no report or register of these 170 individuals who were allegedly released. Neither the National Assembly nor any judge approved their release. That is, they did not approve the annulment of their respective sentences. We have been unable to obtain a list to scratch those individuals off our list. Their release constituted an abuse of power on the part of Commander Daniel Ortega.

Other organizations will be coming to Nicaragua. Americas Watch will arrive next week. We hope that the government will allow them to visit jails, especially those under State Security where prisoners are most frequently tortured and mistreated in the country's northern area. That is also the case with the [word indistinct] jail in the 5th Region in Chontales.

We are preparing a special report to be submitted to the Inter-American Human Rights Commission during a meeting in Washington in the next few days. We will also submit the report, which contains an assessment of the human rights situation in the past few months, to a UN commission that is in Nicaragua.

[Reporter] Dr Lino Hernandez, the press is reporting today that the human rights commission that you are heading is still listing some prisoners who have already been released. It claims that this is a form of manipulation. What is your opinion?

[Hernandez] We have not yet submitted any list to the government. It seems that other organizations such as the 22 January Mothers Group submitted a list to the National Assembly. They are saying that some individuals who have already been released are on that list and are using this to attack us, although we have nothing to do with that list.

We believe that the government itself is mainly responsible for drafting these lists in Nicaragua. For the past 2 years, Cardinal Obando y Bravo has demanded through the government's National Reconciliation Commission that such lists be made public. However, this has not been done.

We are updating our list, and we are carefully specifying the location of the prisoners, based on information directly provided to us by their relatives. I believe that we will (?reveal) this list late next week.

[Reporter] Dr Lino Hernandez, does the Committee for Human Rights still harbor hopes that a general amnesty will be decreed in keeping with accords signed by Central American presidents?

[Hernandez] In the past few years, the government has granted pardons and some limited concessions. However, an amnesty continues to be an aspiration to all the Nicaraguan people, to the thousands of people who are in jails, and to the thousands of relatives who are hoping that it could be the foundation for a national reconciliation.

We believe that the government can once and for all comply with this commitment. Compliance with it would not be a favor for anybody, but could lead to the establishment of a basis for a national reconciliation. The government has not done so in 2 years. As long as it continues this policy, it will also continue to show disrespect for commitments it has acquired in regard to the human rights situation in Nicaragua.

UN Official Comments on Opposition Demonstration

PA1109233889 Managua Radio Sandino in Spanish
1930 GMT 11 Sep 89

[Text] (Dieter Nolen), an FRG UN official, has said that the Nicaraguan election process is being conducted properly. Mr (Nolen) said that the authorities did not try to obstruct the UNO [National Opposition Union] march in Juigalpa, and he estimated the attendance there to be over 3,000 persons.

[Begin recording] [Nolen] I am trying to gather information regarding the election process. I have already met with members of the Supreme Electoral Council, and I have studied the reforms that were made to the electoral laws. As for the legal aspect, the election process is well under way. The election campaigning will now begin and this is also a very important process. We are here to observe and witness a process which we hope will be clean and will lead to the democratization of Nicaragua.

[Reporter] Did you watch the UNO demonstration?

[Nolen] Yes, I saw it yesterday.

[Reporter] What is your opinion of the demonstration, considering that Nicaragua has been accused of being totalitarian and of promoting repression against the political parties?

[Nolen] Well, I want to say that the event took place with no restrictions. At least we did not see anything. The opposition was able to conduct their election campaign.

[Reporter] How many people participated in the event? Were there many or few people at the demonstration?

[Nolen] This is the first demonstration by the opposition I have witnessed. There were perhaps between 3,000 and 5,000 participants, but it is very difficult to estimate. [end recording]

Defense Ministry Reports Aug Military Actions

PA1209040189 Managua BARRICAADA in Spanish
7 Sep 89 p 4

[Communique No 11 issued by Defense Ministry in Managua on 6 September]

[Text] The Defense Ministry reports that:

1. During the 1 to 31 August period, mercenary units attempted to sabotage the counterrevolution's demobilization agreement that was signed by the five Central American presidents. The mercenary units broke the cease-fire that had been decreed by the revolutionary government and conducted 44 attacks against Sandinist Popular Army [EPS] and Interior Ministry [MINT] units. The attacks were effectively rejected by our troops and resulted in 67 casualties to the enemy ranks, including 41 mercenaries killed.
2. On the side of the brave people, 10 comrades fell during these attacks. They were EPS and MINT permanent members, reserves, or militiamen.
3. The Somozist mercenary units are opposed to the peace process and continue their criminal actions against the civilian population. During the period mentioned, the mercenaries held 20 terrorist actions that resulted in 14 civilians—men, women, children, and old people—killed, 16 kidnapped, and 5 wounded.
4. The United States continues its aggressive military actions against our country by:
 - a. Sending 14 flights [over our territory] for strategic and tactical observation purposes and using TR-1, RC-135, and EC-130 planes that left their stations in the continental United States, Honduras, and the Panama Canal Zone.
 - b. Maintaining the permanent presence of U.S. warships "WMDS-904 Northland," "LSD-37 Portland," and Frigate "O-LSD" in the Pacific, and a powerful Coast Guard ship in the Atlantic, in naval surveillance operations.
 - c. Preparing the joint U.S.-Honduran military maneuvers "Jose Santos Guardiola," with the active participation of approximately 5,000 U.S. soldiers, to be held in Honduras in September.
5. Different types of CIA planes, usually coming from Honduras, flew over our airspace on nine occasions. The main objective of these flights was to explore the area and deliver logistical supplies to the mercenary troops that operate in our country. The areas that were most affected by these activities were military regions 1, 5, and 6. Given in Managua, on 6 September 1989.
Public and Foreign Relations Directorate
Defense Ministry

Panama

Rodriguez on Elections, Privatization, U.S. Ties

PA0909170889 Havana International Service
in Spanish 0000 GMT 8 Sep 89

["Exclusive" interview with Provisional President Francisco Rodriguez by Nelson Notario Castro in Panama City; date not given—recorded]

[Text] [Notario] Engineer Rodriguez, in your message to the nation a few days ago, you called upon all the country's political forces to participate in the national liberation project. What has been the response to your call?

[Rodriguez] The process of calling, consulting, and responding to our call has still not ended. There are possibilities that the response will be positive. We have received calls from different sectors of Panamanian society, including some sectors that have opposed the government, that agree on the need for an extensive dialogue. We continue to promote and invite all the country's sectors to a dialogue because we believe it is one of most suitable mechanisms for solving internal problems.

[Notario] The General State Council agreed to hold elections in Panama when adequate conditions are present—that is, when the United States stops its aggression against the country and releases the Panamanian funds that were arbitrarily frozen in U.S. banks. Now that the first few days of the provisional government have passed, are there any indicators that this will be possible, that the required conditions will be met so that elections can be held in 6 months or a year?

[Rodriguez] No. Up to now, there have been no indications that these conditions will be met. However, I believe it is still too soon to judge. Obviously, we will continue to wait for these conditions to be met. I trust that the U.S. authorities' sincere and fair judgment will prevail so that justice can be rendered to the Panamanian people.

[Notario] You have talked about increasing the national liberation project—I am again referring to your message to the nation—and you also spoke about the need to return some public institutions to the private sector. I have two questions on these subjects. The first is: How extensive will the privatization process be?

[Rodriguez] As you know, our public sector reached very large dimensions during a period in the history of our revolutionary process. We have evaluated this period and, together with all sectors of the country, believe adjustments to our economic development model are required, and this includes government participation. The firms I spoke about in my message are those that the government took or inherited at a given moment because the private sector was not able to give them proper management. The public sector, consequently, inherited these firms and managed them for a period of time, but

we now believe that the management and operation of some of them—mainly agriculture firms—has to be shared with the private sector. We were referring to this type of firm, not to national security institutions or social services, as these are the government's responsibility and will continue to be managed by it.

[Notario] Thus, the Panamanian Provisional Government that you head considers the privatization process to be a solution to the present problem?

[Rodriguez] Yes, but more than a problem that has arisen at present, we believe it is a structural problem. On many occasions the government carried out programs or projects that we believe should be returned to the private sector. This action is not questioned or rejected by any of the country's social sectors.

[Notario] Which firms are to be included in this process?

[Rodriguez] An example would be a citrus-producing firm in the Chiriqui area which was originally a private firm. The state took it over for a while, and I believe it is an agriculture firm that can be managed by the private sector.

[Notario] Then you have never considered privatizing electricity or communications firms?

[Rodriguez] No, never. These are state institutions that cover social security and services that are reserved for the state. No one questions this either.

[Notario] Mr President, is it possible that the privatization of several firms to solve some of the nation's problems may turn into a problem in the future?

[Rodriguez] No, I would not say that it can become a problem, because when the rules of the game are clearly spelled out, the state can always resort to making changes if it feels that there are problems that threaten national security or the food supply. The state is always able to take over the management of any of these firms if it should happen that it creates problems that affect our society's interests.

[Notario] What is your government's position concerning its commitments with the IMF? Panama has stopped paying the IMF because it does not have any money. What will it do from now on?

[Rodriguez] We have a clear policy in this respect and it had been announced some time ago. Panama's position is not to make service payments to the IMF or other international organizations. The amount of the service payments must be adapted to Panama's development—that is to say, that the service payments on our foreign debt must be tied to Panama's development possibilities. Our large foreign debt has a high service rate and we believe the amount to be paid in service should not hinder our country's growth possibilities or our people's well-being. We have already been furthering efforts to renegotiate our foreign debt's

service payments so that we can pay it without hindering our growth and development.

[Notario] Thus, renegotiation would take place without making commitments or setting specific amounts on foreign debt service payments?

[Rodriguez] No, basically we believe that the debt can be lowered and that the service payments should be set based on the country's growth. We believe this is possible and that this is the proposal that will prevail in the long run, not only in our country but in the rest of the countries of the continent.

[Notario] Your Excellency, with regard to Panama's plan to improve its public image in Latin America and the entire world, have you made plans to strengthen the Foreign Ministry and develop an intensive, even aggressive, program to improve the nation's image and inform the world of the truth?

[Rodriguez] Yes. In my message I spoke about the need to restructure Panama's foreign service in quantity and quality. This, of course, includes the Foreign Ministry. The purpose of this plan is to have our diplomatic and consular services abroad divulge the truth about Panama, not only its political situation as we are currently experiencing it, but its economic, commercial, social, and cultural aspects. All in all, our diplomatic and foreign services must inform other countries of what Panama is like on the inside; what its goals, difficulties, and advantages are; and, because our current situation is special, what the truth is and why we are faced with the current situation.

[Notario] With that truth in the hands, hearts, and minds of all Panamanians, do you believe relations with the United States can improve?

[Rodriguez] I have always maintained that Panama and the Panamanian people have never been the enemies of the American people. There is no reason for them to be the Americans' enemies nor do the Americans have reason to be the Panamanian people's enemies. I have also maintained at all times that cordiality between the two peoples should be based upon respect, acceptance of each other's internal models and conditions, nonintervention, recognition and respect for each other's problems and weaknesses, and especially for the Panamanians' love of dignity and sovereignty. If these principles are followed, there is no reason why cordiality should not prevail and our relationship improve.

[Notario] Mr President, if the Panamanians insist on the national liberation plan you have offered to intensify, if they insist on faithful compliance with the Torrijos-Carter treaties, if they insist on going through with the plan for national sovereignty, the United States would be forced to change its position if relations are to improve.

[Rodriguez] I believe that is a possibility, a reality. I believe that Panama must not yield in any way whatsoever. A refusal to change implies sacrifice, and I believe that all the Panamanians are willing to make sacrifices.

[Notario] How do you envision the year 2000?

[Rodriguez] It will be a year of great hopes and expectations. The world is taking gigantic and rapid strides; things that yesterday seemed inconceivable today seem possible. International relations are also changing, detente is spreading, technological progress is taking gigantic strides.

I believe 2000 will be a year of hope. It will be a crucial year, particularly to us in Panama. That year marks the completion of our liberation process through the Torrijos-Carter treaties. It will be the year in which Panama marks its national liberation.

[Notario] Do you have any special message to the Cuban people, who have followed and are still following closely the Panamanians' people's struggle?

[Rodriguez] Yes, in conclusion I want to send a very sincere message of gratitude to the Cuban people and government for the solidarity they have always shown toward Panama's cause. This solidarity is evident in all ways. It has not only allowed us to be aware of our truth domestically, but also to express it in international forums. Finally, that solidarity has been in evidence with the unconditional and unrestricted support that Cuban Vice President Raul Castro gave us in the Nonaligned summit meeting. He presented Panama's cause as his own. My respect, sympathy, and gratitude go to the Cuban people and government.

[Notario] What message do you have for those governments and peoples who have not supported Panama, and who play the U.S. game?

[Rodriguez] I believe that the massive and aggressive disinformation campaign launched by the U.S. Government has presented a distorted image of Panama to Latin American governments. Fortunately, when they have learned of Panama's true situation, they have realized that the information they have is not true. I believe that Latin America will not forsake Panama. I sincerely believe that Latin America will come to have solidarity with Panama's cause. My message is exactly that, asking them to support our people, country, and truth, because this truth is the genuine expression of liberty and sovereignty for this continent.

U.S. Foreign Policy, Antidrug Measures Denounced

PA1109164789 Panama City MATUTINO in Spanish
6 Sep 89 p 4

[Editorial: "The United States Has One Law for Itself and Another for Everyone Else"]

[Text] If we bothered to examine objectively the way the U.S. Government behaves, we would see a pattern of

constant zigzagging. This zigzagging is caused by two factors that always influence those who guide U.S. foreign policy. U.S. foreign policy is defined as the way the United States reacts to different types of events that take place outside U.S. jurisdiction.

One of the aforementioned two factors is the lack of knowledge regarding the psychology of the other peoples of the world. The gentlemen of Capitol Hill could not care less about that. The second factor is the constant U.S. tendency to blame other nations for everything that is wrong inside and outside the United States.

The United States' lack of knowledge regarding the reality that other countries in the world are experiencing is the reason for many U.S. diplomatic mistakes. U.S. diplomacy is guided by U.S.-made false notions of superiority and omnipotence, which leads the United States to try to impose its opinion and tactics on others. The United States does not seek to persuade but instead tries to impose its ideas through the coercive force of one who can have everything his way. That is why the United States has given itself the role of policeman. The United States uses its status to try to meddle in other nations' affairs and to try to make them think, feel, and act the way they, the Yankees, want.

As for the U.S. determination to blame others for everything that is wrong in the United States, we can say that that is the cause of the serious unrest in which the world is currently immersed.

Let us look into the two big problems to which the United States has given priority attention and that have driven the United States to acts of desperation: drug trafficking and money laundering.

As for drug trafficking, the truth is—as has been said so many times—without drug consumption, drug production would not exist. From that point of view, it is more than very likely that the world would not be in so big a mess if they, the gringos, had not become the gold mine of drug producers and traffickers. We can assume that the United States is aware of that situation but that it takes advantage of it in two ways. On the one hand, there is a large sector of the U.S. population that makes large profits from trafficking in cocaine, marijuana, and similar drugs. On the other hand, it would not be surprising if the U.S. struggle against drug-producing groups were to serve as a pretext for Washington to interfere in the affairs and even in the sovereign territory of Latin American countries.

As for money laundering, it is easy to pinpoint the accommodating way the United States lays the blame on other peoples for its own mistakes.

If the United States is the one that produces dirty money, not only through drugs but also through local smuggling, organized crime, and extortion, it would be logical to lay the blame on the United States exclusively. The United States, however, blames other peoples. That gives the

United States a reason to play the role of the policemen who stay in the place they claim to protect forever, if they are allowed to do so.

Those are the U.S. double standards and the way the United States implements its policy of one law for itself and another for everyone else on earth.

North's 'Spy Operations' Car Reported on Base

PA1109191989 Panama City CRITICA in Spanish
11 Sep 89 p 5

[From the "Scoops" column]

[Text] It appears that an armored automobile equipped with sophisticated electronic equipment from which communications can be established with any country in the world and satellite spy operations conducted, and which was used by the notorious Oliver North in the past, is now on one of the gringo bases in Panama. Could it be that it is here for another form of aggression?

Alleged U.S. Plan To Kidnap Noriega Attacked

PA1209025789 Panama City LA ESTRELLA DE
PANAMA in Spanish 11 Sep 89 p A-5

[Article by Julio Yao]

[Text] Since last year some U.S. Government leaders and spokesmen have mentioned the possibility of carrying out a "surgical operation" to kidnap General Noriega because of charges filed against him at a Florida court.

The kidnapping idea emerged in Oliver North's office when North was an adviser to the National Security Council, and a few days ago President Bush said he had not discarded the idea.

Bush said: "I have an obligation to try to bring people to justice." All that was adduced when the operation was discarded last year was that General Noriega could die in the process.

No special knowledge is required to describe this action. It would be carried out by a special commando force and would not exclude broad military maneuvers to support the surgical operation, such as open state terrorism and aggression against Panama.

We are very surprised to see that some political leaders view an operation of this nature exclusively as a personal matter to be settled between Washington and General Noriega, and not as a crime against international law.

In spite of any internal dispute, Panama's sovereignty must be permanently defended at any cost. This position, which has been a general pattern throughout our history, cannot be disregarded while considering the criminal activities of the United States.

No rivalry, opposition, or conflict with the government can justify the approval of an occupation or an invasion

of our national territory with selective or massive incursions, because if democracy is a necessary condition for sovereignty, it is also true that democracy is not possible without sovereignty. We could not consider ourselves a nation if we approved the occupation or even the threat to carry out an occupation.

We must also realize that the U.S. "grand jury" [preceding two words in English] has been highly questioned within the framework of U.S. legal concepts and procedures because it has frequently fallen to the same vices that it supposedly should correct.

Gen Noriega has only been accused—not sentenced—through legal means and procedures that have been questioned. The famous "indictments" [preceding word in English] and U.S. courts are blatantly used as instruments of an imperialist foreign policy, contradicting international law instead of enforcing law and justice. The United States intends to use the diplomacy of accusation as an instrument of its low-intensity war or hostility.

Meanwhile, we would like to know: Since when do U.S. courts have international jurisdiction? Pretending that a simple accusation by a U.S. court can justify the arrest of any person anywhere in the world should at least be answered with a sardonic smile. We need not say that it would be a serious offense against the international legal conscience.

The fact that the U.S. Government has approved specific laws against drug trafficking with the idea that they must be accepted as international laws, and that therefore any suspected criminal must necessarily be taken to U.S. courts, ignoring constitutional procedures and sovereignties, continues to be pure arrogance and ridiculous jingoism. Such pretension has absolutely no grounds in international agreements or institutional mechanisms.

The DEA has kidnapped a number of alleged drug traffickers, and we can say and show that not only has international law been violated many times, but also U.S. laws and codes of conduct issued by the Justice Department that are applicable to the DEA agents themselves.

U.S. courts have no jurisdiction over Gen Noriega, and even if they had, the U.S. Government is trying to take the commander in chief of the Panama Defense Forces to court using methods that violate federal law, Panamanian sovereignty, and international law.

Respect for territorial supremacy and independence of states has been observed for a long time. No one questions the fact that a state cannot kidnap, hurt, kill, or detain anyone or conduct coercive actions within the territory of another state, be it directly or through agents.

The Eichmann case is an example of this. Adolf Eichmann, a Nazi war criminal who sought refuge in Argentina, was kidnapped by Israeli agents in May 1969 and transported secretly to Israel, where he was condemned and executed 2 years later. Argentina called for a meeting

of the UN Security Council and accused Israel of violating its sovereignty. On 23 June 1969, the UN Security Council approved—with the United States voting in favor—a resolution condemning Israel for violating Argentina's sovereignty and international law. Oddly enough, the United States is the country with the largest number of diplomats and agents who have been kidnapped or executed as victims of "terrorism." The United States has been one of the main promoters of agreements that prevent and punish terrorism against aircraft or individuals who are under international protection. Yet, the United States now proposes conducting actions against the commander of the armed forces of another country which would constitute a direct and unavoidable declaration of war.

What would happen if General Colin Powell—the highest military authority after President Bush—were kidnapped by South African agents in order to try him, charging him with the crime of being black? Why does President Bush not kidnap Chilean General Pinochet on charges filed against him in the United States for violating human rights?

Why is it that, even though attacking a representative of a foreign country is not only a state but a federal crime, President Bush is allowed to publicly threaten to commit an international crime against the man who plays the most important role within the institution responsible for defending the sovereignty of a nation?

The U.S. Government has already committed too many abuses. It need not carry out a kidnapping that will only corroborate its image at the International Court of Justice as the archetype of a criminal state and fugitive of international justice.

Columnist Comments on Radio Interference

PA0909194189 Panama City *CRITICA* in Spanish
9 Sep 89 p 8

[From "Today in the World" column by Luis Manuel Martinez]

[Text] Southern Command Interference

Chorrera—The news and commentary program transmitted daily by Journalist "Tencho" Icaza through FM-99 is being interfered with by the Southern Command with subversive messages recorded in Miami and sent directly to Howard Air Force Base. This week, the message repeats that the capos of Colombian drug trafficking have sought refuge in Panama, where they continue their criminal operations. The Colombian Police commander, the defense minister, and several European publications have contacted Pablo Escobar Gaviria, the Mexican, and the Ochoa brothers who have stated that they will not leave Colombia because they will wage the war to the end.

In addition to Radio Impacto and the radio interference, the Southern Command is preparing a program in

Spanish to reproduce all the infamous material transmitted by Costa Rica's Radio Impacto. This means that Panama will have to defend itself from radical aggression, which is a prelude to the urban guerrillas that Bush has prescribed us as part of his generous concern for Panama's democratization through bayonets.

Media Official on Investigation

PA1209041589 Panama City *Telesora Nacional*
in Spanish 2300 GMT 11 Sep 89

[Text] Luis Romero Villalobos, director of the National Media Directorate of the Government and Justice Ministry, has said that clandestine radio transmissions, as well as transmissions by television Channel Eight [Southern Command Network], are violations that should be punished by the law.

[Begin recording] [Romero] For the past few weeks the Media Directorate, with the approval of the Government and Justice Ministry, has been conducting investigations with technical advice from the ministry's radio communications experts in an attempt to determine the origin of radio interference. We know that this is being done by people opposed to the national government. We have done everything possible, but we do not have the technical equipment to determine the exact location from where those transmissions originate. However, we have an idea and clues that can lead to identifying those responsible for interfering with some radio and television stations.

[Reporter] Has any action been taken concerning the specific case of radio signals coming from Costa Rica?

[Romero] I recently talked directly with Panamanian Ambassador to Costa Rica Dario Arosemena. He has protested before the Costa Rican Foreign Ministry that a fraternal nation has permitted actions by criminals—because that is what they are—who not only use the radio against the [Panamanian] government, but who also broadcast lies and calumnies against our authorities.
[end recording]

Treaty Affairs Officer's Anniversary Address

PA0809213989 Panama City *LA ESTRELLA DE PANAMA* in Spanish 7 Sep 89 pp 1, B-11

[Statement by Captain Severino Mejia, executive director of the Panama Treaty Affairs Executive Directorate, issued in Panama City on 6 September to commemorate the 12th anniversary of the signing of the canal treaties]

[Text] Many generations of Panamanians have struggled to ensure respect for their natural rights over the country's main resource—that is, its geographical position—and over the Panama Canal. Many men who dreamed about it sacrificed body and soul to see such a great undertaking that benefits all of humanity completed. However, the greed of others has assumed the form of a fatal dark cloud looming over the backs of Panamanians

who are eagerly working to inherit what others have bequeathed to future generations after having shed blood, sweat, and tears.

On 7 September 1977, a century and a half after the great Liberator Simon Bolivar called the Amphictyonic Congress on the Isthmus of Panama—as a first step to effectively unite all Latin American countries that had achieved independence—at OAS headquarters and in the presence of all presidents and heads of government of OAS-accredited countries, the United States of America and the Republic of Panama signed the historic "Torrijos-Carter Treaties."

On that memorable day, with the backing of all world countries, Panama successfully removed a colonial stake that constituted an insult and humiliation for all countries between the Rio Grande and Cape Horn.

Today, 12 years after the signing of the treaties, our country is the target of a cruel aggression on the part of the United States that aims to violate the letter and spirit of those treaties through the use of force, tricks, and blackmail, because the treaties established a deadline for U.S. presence in our territory.

In view of their irreversibility, the United States of America is now trying to destroy our people's nationalism to achieve its hegemonistic objectives. Regardless of the price and sacrifices involved, patriotic Panamanians are convinced that the American presence sure as hell will leave on 31 December 1999.

This is why today, more than ever, with reason on our side, as the liberator wanted, we must consolidate efforts to ensure that the Panama Canal treaties are honored.

The United States can sever our jugular, place us on blacklists, and slander us, but it will never be able to prevent us from realizing our final fate: to see the birth of a new, free, and independent republic after the year 2000.

Captain Severino Mejia
Executive Director
6 September 1989

Members' Note to Canal Board on Financial Issue

PA0909153689 Panama City LA ESTRELLA DE
PANAMA in Spanish 5 Sep 89 pp A1, A6

[Note by the Panamanian members of the Panama Canal Commission Board of Directors to Chairman of the Board Robert Page, concerning Administrator Dennis P. McAuliffe's remarks on the financial situation of the Panama Canal Commission; issued in Panama City on 29 August]

[Text] To Mr Robert Page, chairman of the Panama Canal Commission:

Mr Chairman, through an international news agency dispatch, we have learned of Administrator McAuliffe's remarks on the financial situation of the Panama Canal Commission.

Although outside factors, changes in international sea trade practices, and variations in the economic activities of some of the countries that regularly use the canal have momentarily affected canal traffic and the volume of cargo handled through the waterway, most of the financial setbacks the Panama Canal Commission is suffering are caused by the aggression that the U.S. Government has unleashed against Panama on all levels. These actions have forced the canal administration to take measures that adversely affect its finances. The Panama Canal Commission has been forced to absorb millions of dollars in costs not included in the budget and that cannot in any way be justified by the 1977 Panama Canal Treaties.

For instance, we would mention the millions earmarked to implement a plan to relocate U.S. Panama Canal Commission employees and their relatives who argue that the political situation in Panama endangers their lives. Similarly, the administration spends large sums to provide transportation to Panama Canal Commission employees who are unable to purchase plates for their cars because of their inability to get their income tax payment certificates due to the fact that the U.S. Government has unilaterally decided to halt payment to the Panamanian treasury of the income tax withheld from these Panamanian employees.

The alleged Panama Canal Commission crisis could be solved if the U.S. Government abides by international law, stops the unfair aggression that the Panamanian people are suffering, and makes a commitment to strictly comply with the Torrijos-Carter Treaties.

We are taking this opportunity to express disagreement with any measure intended to cut the Panama Canal Commission's expenditures by stopping programs to increase the assignment of Panamanian citizens to all of the Panama Canal Commission's positions and employment levels. Compliance with these programs guarantees the orderly transfer of the canal to Panamanian authority early in the 21st century. In addition and in accordance with our government's positions, we will keep watch against any attempt to adversely affect or diminish the job stability of Panamanian Panama Canal Commission employees.

In addition, during the crisis that has been hampering relations between our two countries, the canal administration has again and again reported at the Board of Directors meetings that this anomalous situation has not had any adverse repercussions on canal operations and that canal users have not filed any complaints over this. We would like the administration to make known these remarks to the canal users so they can rest assured that the canal will continue to operate normally despite problems in relations between Panama and the United States.

You can be certain, Mr Chairman, that we want the canal to continue to be used by international sea traders. Toward this end, however, the U.S. Government must stop using the canal administration as another weapon to destabilize and blackmail Panama. We expect the harassment against the Panamanian directors' assistants to stop promptly so they can get their visas. We want the United States to fully comply with the treaties because the treaties were signed precisely to do away with the old points of disagreement in relations between the two countries, which were brought to light when the Isthmian Canal Convention was signed in 1903.

Because of all this, we are reiterating our stance that the canal's operation and maintenance should be left out of Panamanian and U.S. policies, taking into account that the two countries have signed international agreements that bind them in the eyes of the international community to keep the waterway operating efficiently.

We support any measures in connection with this.

[Signed] Oyden Ortega, director; Carlos Ozores T., director

Columnist Links PALA Leader to U.S. Embassy

PA0909011089 Panama City CRITICA in Spanish
6 Sep 89 p 4

["Political Coliseum" column by Baltazar Renan Aizpura: "So That's What the 'Chat' Was All About"]

[Text] Surely, by now, my dear readers, you know what I meant barely 6 months ago when from this column I invited PALA [Labor Party] Secretary General Ramon Sieiro to "a chat."

I said then that if the people who were advocating a "gentle change" and "a chat" wanted to keep on attacking the PRD [Democratic Revolutionary Party], they would have to explain their constant meetings with U.S. Embassy agents headed by John Maisto, the top disinformant on Panama's situation.

Yesterday Sieiro told the international press early in the day that the new Panamanian Government was the result of a "coup d'etat," and was therefore outside the Constitution. He added (to place himself closer to the traitorous opposition) that the government was created without much consultation with the political parties, although the PALA "had been insisting on installing a government of national reconstruction with opposition participation." Sieiro asked reporters: What backing does Francisco Rodriguez have to be president? He immediately answered that "conciliation has become a myth." All this, however, happened on the morning of 5 September—yesterday.

That same day, in the afternoon, Ramon Sieiro was showing signs of public repentance. On leaving the Presidential Palace after meeting with President Rodriguez, he said that he would support the government

provided he would be taken into account. In that way, he is showing his opportunistic ways, besides his classic conceit. He cares nothing about the struggle being waged by the Panamanian people under the leadership of "Tony" Noriega. He has been nourished by the breakfasts with Maisto and the CIA.

When they get to this part of my article many people will probably ask themselves if I am not out of bounds, because in Panama the irresponsibility shown by Sieiro is considered "political savvy"—that means exerting pressure, shouting, blackmailing, and whimpering to get what you want. And I confirm that he has been grossly irresponsible because his biased declarations have been spread throughout the globe. His complete concurrence with the White House's viewpoints will serve Mr. Bush in his quest to seek a consensus against Panama. Ramon Sieiro has inflicted this serious damage perfectly. This is unforgivable, despite his false and late repentance which will not be spread throughout the globe.

However, Ramon Sieiro's irresponsibility also shows another angle of our political life. The stab in the back that he has inflicted on Panama's liberation struggle, and on General Noriega directly, is an unmistakable sign of Sieiro's uncontrollable political ambitions. His nomination as vice presidential candidate on the COLINA [National Liberation Coalition] ticket was not the result of a closed-door meeting, nor was it imposed by "Tony" Noriega's strong leadership. It was due to Sieiro's selfishness, which prevented the formation of a better ticket in the past elections.

The people's rejection of Sieiro's candidacy was all the more evident because of the all-out publicity campaign he waged. He proclaimed through posters, billboards, newspapers, television and radio that he was a better candidate than Carlos Duque. Many people voted against Duque so as not to vote for Sieiro, whose cronies were shouting at the top of their lungs that Sieiro would be president.

Sierio asked: What support does Francisco Rodriguez have to be president? I will answer Sieiro's question. He has the support of men and women who, alongside Noriega, want true independence for Panama. He has the support of those who would never allow a Yankee agent to tell us what to do, think, and decide in our national destiny. He has the support of patriots who do not need telephone calls, memorandums, secret notes nor breakfasts with the Yankee pro-consuls, and who much less need permission from John Maisto to go to the toilet. Rodriguez has that support and much more.

Paper Says Bribe Offered To Hide U.S. Contact

PA0909185589 Panama City CRITICA in Spanish
9 Sep 89 pp 1, 11

[Text] Arturo McGowen, the errand boy of the gringo embassy in Panama, has tried to bribe CRITICA, through a messenger, to hide his links with the U.S. diplomatic mission and especially with John Maisto.

Obviously, McGowen's attempt was rejected by CRITICA, which is the newspaper of the Panamanian people. At the same time, CRITICA wants to reassert that nothing and no one will stop this newspaper's nationalistic and patriotic struggle.

Furthermore, we wish to clarify that we will publish the entire truth about the deep links between McGowen and the gringo embassy. We have evidence proving his links with Maisto and even documents showing that he tried to harm PALA [Labor Party].

CRITICA wants to warn meddling government messengers, whether they are civilian or military, that we will not accept any more interference or requests asking us to lower our voice in this shameful affair in which anti-patriot McGowen is involved.

Miranda Cites Official View on 'Subversive' Acts

PA1109180889 Panama City Circuito RPC Television in Spanish 2300 GMT 7 Sep 89

[Text] Government and Justice Minister Olmedo Miranda today said over a Mexican television network that the national government will guarantee public safety and prevent subversive activity by any group trying to disturb peace in Panama.

He said that the government of President Francisco Rodriguez has made extraordinary displays of its willingness to reach an agreement with the various national political groups. We hope, Miranda added, that this call will be heeded for the sake of calm and progress in the country.

Regarding this, he pointed out that the government has cleared the way for opposition politicians to accompany us in building a new republic.

Regarding the incidents with the students on 6 September, Miranda said that he identifies with them very much and applauds their good intentions as long as they are expressed in a peaceful and respectful fashion. However, if the students continue to take to the streets, destroy property, and threaten peaceful citizens, as they have been doing, we will be forced to take action.

He finally said: If the opposition political groups use the students as instruments to incite violence on Panamanian territory, we would have no other option than to stop them at any cost.

Endara: No Government Participation Offers

PA1109192289 Panama City Cadena Exitosa in Spanish 2200 GMT 7 Sep 89

[Text] Guillermo Endara, former presidential candidate of the Civic Democratic Opposition Alliance, has said that the opposition has not received any government invitation to participate in a dialogue.

[Begin Endara recording] The idea of a dialogue has not been discarded, it is just that we see no reason for holding one. If suitable conditions emerge, we would participate in one.

The only activity we could carry out now is street demonstrations. We could assemble people and carry out public demonstrations, but they would be repressed.

You know that some time ago we were offered a good share of the government—General Noriega spoke of half the government—within the framework of the tripartite dialogue sponsored by the OAS. We have received no other offer than that one, except one about legislators—an offer we have refused to discuss. [end recording]

Commission Studies Banking Restriction Relief

PA1109215589 Panama City Circuito RPC Television in Spanish 2300 GMT 8 Sep 89

[Interview with Banking Commission Director Mario de Diego by an unidentified reporter; date and place not given—recorded]

[Text] [De Diego] We have agreed with the Panama Banking Association to meet next week with a group of member banks. We will begin discussions, using as a basis the proposal that is now before the commissioners—but also taking up any other proposals, suggestions, or options that the banks themselves may offer—to establish under what conditions we may allow restricted deposits to be released.

[Reporter] Does this mean then that the system is recovering?

[De Diego] We have definitely seen positive signs on fixed deposits and savings accounts. The latest figure we have is that approximately 195 million balboas are in fixed deposit and savings accounts. These funds are completely available to the account owners. Obviously, these deposits were made after May 1988, the date the banks reopened.

We want to clearly leave on record that this does not mean lifting the restrictions. Regrettably, the restrictions will have to remain in effect until the prevailing conditions in Panama affecting these bank deposits completely return to normal. We believe, however, that we shall be able to slowly begin lifting these restrictions. This would be up to each individual bank, as, obviously, every bank has its own structural makeup, with different amounts on deposit. Each bank has to make funds available according to each bank's capacity to lift these restrictions or increase availability of funds. The idea is to allow people ways to use these funds productively.

[Reporter] Has the commission established the percentage of deposits that will be made available? What do you mean by using the funds productively?

[De Diego] Productive use is so that people do not make a run on the banks. The money on deposit is precisely

what allows the banks to make loans. If everyone withdraws his money, the banks will not have any money to lend. We do not specify what percentage of the money should be released, because the idea is for each bank to make available whatever amount each bank is best able to afford.

[Reporter] Would the National Bank and the National Savings Bank take part in this proposal?

[De Diego] They may as long as conditions allow. However, remember these two official entities are subject to operational restrictions because all their funds are frozen.

Business Leader on Economic Prospects, Sanctions

PA0809174289 Panama City Cadena Exitosa
in Spanish 2200 GMT 7 Sep 89

[Text] Jose Chirino, president of the Association of Panamanian Industrialists, said there is no solution in sight to the lack of credit available for the private sector in the short or long term.

[Begin Recording] [Chirino] We have less credit available than ever to sustain business operations in this country. Credit has always been available from banks, but now they are experiencing a very difficult situation. We understand their situation to a certain extent, but there are no indications that there will be a solution to the problem over the short term or even the medium term.

[Reporter] What do you think of the new provisional government? Do you think it will improve the disastrous economic situation?

[Chirino] Frankly, I do not believe that a provisional government will help right now because, from any domestic or international perspective, everything seems to be pressures from abroad and within the country. There is a certain degree of internal pressure because we can see that the line that has been followed for the last 2 years has led to a declining level of confidence and many other things. So much has been said, and we all know what we are talking about. However, the latest pressures from abroad against Panama, which began on 1 September, have already gained a little more ground. They are stronger. This hinders any effort by this new government to try to implement any economic or political program to benefit industry. It is very hard for us, by ourselves, isolated as we apparently will be, to succeed with any economic project or system that we may try to carry out in the country. It is very hard for a country, especially a country as small as ours, to succeed by itself. [end recording]

Businessmen Charge 'Unconstitutional Government'

PA0909033589 Panama City LA ESTRELLA DE
PANAMA in Spanish 7 Sep 89 p B1

[Panamanian Association of Business Executives, APEDE, communique to the country; signed by APEDE Chairman Jose Raul Mulino; issued in Panama City on 5 September]

[Text] In view of the grave national situation at this historic moment, APEDE wants to express its position:

This past 1 September imposition of an unconstitutional government by the current regime was a manifestation of disregard for democratic principles, especially for the overwhelming will of the Panamanian people as expressed on 7 May.

We believe that only the Panamanian people should have the sovereignty to exercise public power. As long as this is not acknowledged, it will be impossible to overcome the current political problem, which is a direct cause of the disastrous economic, social, and moral situation our country is enduring.

We firmly believe that only through a de jure state in our country will we be able to have the dearly desired national reconstruction and the reconciliation of the Panamanian family in an atmosphere of respect, respect for law, and trust in our republican institutions.

Today, this private enterprise sector reiterates its unyielding position in favor of having a different Panama, one where democracy may be exercised in an environment of liberty and true and impartial justice.

Panama City, 5 September 1989

Board of Directors

Jose Raul Mulino, chairman

APDE Leader Pessimistic

PA0909135389 Panama City Cadena Exitosa
in Spanish 2200 GMT 6 Sep 89

[Report by Maribel del Carmen Saldana Ortiz]

[Text] Dr Jose Raul Mulino, president of the Panamanian Association of Business Executives, said there is no new republic in the new government formula.

[Begin Mulino recording] The political problem prevails despite efforts to conceal this fact. The government has not been able to find a solution to the current situation and it has proven its inability to do so throughout its many years in power. The entire country expectantly waited [for a solution] and now the people are deeply frustrated to see how we have become immersed in a problem that seemed like it could be solved. Now the solution seems inaccessible for many sectors.

The reaction on the international level, meaning most of the democratic countries in Latin America and around

the world, was expected. A democratic country cannot be expected to recognize a government system like the one that prevails in Panama.

We, meaning the private sector, view with pessimism the functional development of that new government formula because it is a continuity of what we had. No changes have been made, only names have been changed, and that leads us nowhere. It does not promote trust and it lacks credibility; therefore, the economic reaction is an opium dream—no one can pretend it will occur under the current circumstances.

A lot of mistrust prevails in the private sector and other sectors will progressively follow suit as a result of the increasing unemployment and the closure of enterprises. [end recording]

Referring to the opposition's nonparticipation as commissioners in the Legislative Assembly, the APEDE president said:

[Begin Mulino recording] I see this as a logical reaction. I did not believe it could be possible. They had refused to participate in this government junta, meaning the government that was installed on 1 September, so they could hardly support an assembly that will be appointed just as the executive branch was appointed. It will be a legislative branch without any representativeness whatsoever, and it will be definitely ruled and controlled by the official sector. I think it would have been a tremendous political mistake for the opposition to agree to comprise on that assembly, because it has no representativeness and it is not supported by the people. [end recording]

Private Enterprise Rejects New Government

PA1009045489 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Sep 89 p 3-A

[Communique issued by the National Council of Private Enterprise on 4 September in Panama]

[Text] Communique to the nation:

The National Council of Private Enterprise (CONEP), top organization of the country's private sector, at a special meeting held on 4 September, deemed it necessary to express its position in view of the historic situation our country is facing.

The installation on 1 September of a new type of unconstitutional government by the present regime violates the most basic democratic principles and once more flouts the people's will expressed on 7 May, when Panamanians overwhelmingly chose our government in a popular election.

The struggle for the total democratization of the country is long and full of sacrifices. We in private enterprise have defined ourselves in an unequivocal manner in an effort to find the new Panama, which we hope will soon be born as a symbol of hope for everyone. That is why we

speak up for representative democracy as the only solution that will earn trust, an indispensable element to achieve Panama's reconstruction and reconciliation.

Signed: National Council of Private Enterprise

Alberto A. Boyd, President

Issued in Panama on 4 September 1989

Decree Creates National Financial Commission

PA1009204589 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Sep 89 pp 4-1, 4-6

["Text" of Decree No 27 creating the National Financial Commission, issued in Panama City on 7 September by Francisco Rodriguez, provisional Panamanian president, and Gustavo Gonzalez, minister of planning and economic policy]

[Text] Decree No 27 (of 7 September 1989) creates the National Financial Commission and outlines its work.

The Provisional Panamanian President, exercising his legal rights, hereby decrees:

Article 1. An advisory board is to be created for the Executive Branch and the Cabinet Council to deal with the financial affairs of the central government and decentralized entities. This board is to be termed the National Financial Commission, and its basic mission will be to make recommendations that will design and implement fiscal policies within the framework of general principles and rules of economic development established by the Executive Branch.

Article 2. In addition to the main obligations outlined under Article 1, the National Financial Commission shall issue its opinion on the following matters dealing with the public finances of the central government, decentralized entities, and semiautonomous and government-run enterprises:

- A. The government's general draft budget.
- B. Contracting of public loans.
- C. Issuing of bonds, promissory notes, and other government values.
- D. Requests for additional loans that are extraordinary or supplementary to the government's general budget.
- E. Approval of contracts, operations, or transactions that surpass 150,000 balboas but do not exceed 250,000 balboas.
- F. Issue an opinion on contracts, operations, and transactions of 250,000 balboas or more.
- G. Take note of contracts, operations, or transactions that do not exceed 150,000 balboas.
- H. Modifying of import tax duties.
- I. Overseeing of the activities of government enterprises and industries and of those public enterprises in which the government participates through the ownership of public entities or corporations.
- J. Evaluation of projects that the Ministry of Planning and Economic Policy presents.

K. Any other tasks the Executive Branch may assign.

Article 3. The National Financial Commission will consist of five members as follows:

- A. The minister of planning and economic policy, who shall head the commission.
- B. The finance minister.
- C. The comptroller general.
- Ch. The National Bank general manager.
- D. An Executive Branch representative.

Paragraph: During temporary absences, the National Financial Commission president may delegate his work to any other commission member. The deputy minister of planning and economic policy will fill in for this commission member.

Article 4. Alternates for the various National Financial Commission ministers will be their respective deputies. In the case of the comptroller general it will be the assistant comptroller, in the case of the National Bank general manager it will be the assistant manager, and finally, in the case of the executive branch representative it will be whoever the executive branch appoints.

Article 5. The commission shall have a political economic technical secretariat to report the business that the National Financial Commission is to handle.

Article 6. The vice minister of planning and economic policy shall be the technical secretary and will coordinate the preparation and the implementation of reports that are to be studied by the commission.

Article 7. Commission recommendations shall be approved by an absolute majority. At least three (3) commissioners must be present for a quorum.

Article 8. The National Financial Commission shall make proposals to the Executive Branch to properly coordinate the activities of public entities that own, have capital in, or are on the board of directors of joint enterprises, so that these entities adjust their work to follow the outlines and guidelines of the Executive Branch.

Article 9. The National Financial Commission shall draft its internal procedural rules so it may effectively comply with its advisory tasks.

Article 10. This executive decree shall become effective upon publication.

Issued in Panama City on 7 September 1989.

[Signed] Francisco A. Rodriguez P., provisional Panamanian president. Gustavo R. Gonzalez, minister of planning and economic policy.

Government Names Civil Aeronautics Director

*PA0909005489 Panama City Domestic Service
in Spanish 1100 GMT 8 Sep 89*

[Text] Provisional President Francisco Rodriguez has named Lieutenant Colonel Pascual Gonzalez as Civil Aeronautics director, as well as Alberto Velasquez and Miguel Von Seidlitz as deputy administrative and technical directors, respectively.

The Civil Aeronautics Directorate officials were approved in their posts within the framework of the installation of the new government headed by President Francisco Rodriguez.

Meanwhile, Presidency Minister Augusto Valderrama announced that Hugo Salazar has been appointed manager of Citricos de Chiriqui. [state-run citrus fruit industry]

Bolivia

Foreign Minister Terms Bush Offer 'Interesting'

PY1209040489 La Paz La Red Panamericana
in Spanish 0000 GMT 12 Sep 89

[Excerpts] Bolivian Foreign Minister Carlos Iturralde has said that Argentine President Carlos Saul Menem and Bolivian President Jaime Paz Zamora will hold an important meeting next November. [passage omitted]

In referring to U.S. cooperation in the struggle against drug trafficking, Iturralde said that the Bolivian Government agrees with it. The government considers that the offer, in general terms, is interesting and will serve the country's interests.

The minister said that Bolivia will continue in permanent contact with the international organizations involved in the struggle against drug trafficking so that actions may take place in the near future.

2 Colombians Arrested; Antidrug Plan Described

PY0809152189 La Paz PRESENCIA in Spanish
26 Aug 89 p 6

[Text] The Interior Ministry announced yesterday that two Colombian nationals suspected of trafficking were arrested last week in Santa Cruz and will be brought to court to be prosecuted for their alleged involvement in criminal activities.

The two suspects were arrested during a police operation designed to prevent Colombian drug traffickers trying to escape the antidrug offensive by the Barco government from entering our country.

According to reports from abroad, some Colombian drug traffickers have sought the shelter of the Peruvian jungle in small aircraft and boats. These reports prompted military control measures in Bolivia.

Interior Minister Guillermo Capobianco reported that the police control measures have resulted in four drug traffickers being arrested in Santa Cruz.

According to official reports, the two Colombians arrested are Jairo Alberto Sanchez Perez, who has a drug-related police record, and Nestor Sanchez Lopez, who has been involved in trafficking counterfeit dollars in Brazil.

Interior Ministry officials reported that some undocumented foreigners have been arrested in the police dragnet and that the two drug trafficking suspects will be brought to court.

The police and Air Force and Navy units continue to control the country's borders, although the size of the area makes it difficult.

Control is more strict in Santa Cruz under the assumption that Colombian drug traffickers who have fled to Brazil might try to enter Bolivia through this city.

The Immigration Subsecretariat has instituted preventive measures, such as requiring all Colombian citizens to update their registration with the Immigration Directorate of Santa Cruz District.

No Information on Drug Activities Reported

PY0809174589 La Paz EL DIARIO in Spanish
31 Aug 89 p 1

[Excerpt] Interior Minister Guillermo Capobianco has said that he does not have information on the names and the activities of the main drug traffickers operating in Bolivia, because the previous administration did not leave any report.

In response to a question from an EL DIARIO reporter accredited to Government House, the minister said: "When I took over I found that the ministry was absolutely empty. It was exactly that—empty. There was not a single report on anything."

He explained that the government that was installed on 6 August therefore had to "begin from scratch," because intelligence offices and other strategic departments were practically dismantled.

Asked whether this situation implies negligence on the part of the previous administration, the minister said: "You can pass judgment yourself. This is how we found the ministry, and we are working to overcome this difficulty."

As for the "big shots" of drug trafficking, whose names had been published by the Social Defense Under Secretariat of the previous government, Capobianco said: "They did not leave a single piece of paper on the subject."

Reporters were informed that the Interior Ministry is investigating secret information on the links between drug trafficking and some important people and politicians.

Other Interior Ministry documents mention the famous Huanchaca case and the operation by antidrug forces in several spots in Bolivia, particularly in urban areas, where well-organized drug trafficking networks were discovered.

Asked about the measures to be taken against well-known traffickers, the minister replied: "We are performing the specific tasks and duties of our ministry." [passage omitted]

Resolution Against Foreign Troop Presence Passed

PY0809174989 La Paz PRESENCIA in Spanish
1 Sep 89 p 5

[Excerpts] After long debate during yesterday's regular session, the Chamber of Deputies decided to endorse the remarks by high-ranking Bolivian officials who do not

agree to the presence of foreign troops in our territory, because that would harm national sovereignty.

The resolution, which was submitted last week by MNR [Nationalist Revolutionary Movement] Deputy Ernesto Machicao, was passed on to the appropriate committee, which modified the text of the document.

The decision to approve the resolution gave rise to a political debate during which other resolutions were submitted for approval. [passage omitted]

The resolution by the House refers to a U.S. Government proposal to send troops to Bolivia to help with the struggle against drug trafficking. [passage omitted]

Government Promises IMF To Maintain Stability

*PY0909222489 Madrid EFE in Spanish 1842 GMT
9 Sep 89*

[Text] La Paz, 9 Sep (EFE)—Bolivian Finance Minister David Blanco today reported that the Bolivian Government has promised the IMF that it will maintain economic stability in the country.

The finance minister added that Bolivian President Jaime Paz Zamora yesterday sent a letter to this effect to the IMF. Blanco also said that negotiations with the IMF to outline the growth targets and strategies for the 1990 fiscal year are continuing.

The minister explained that the adjustment program which is being studied with the IMF includes, among other things, the political and administrative decentralization of the country, the paring down of deficit-ridden state-owned corporations, and the modernization of the state apparatus.

Official sources have reported that the talks with the IMF may conclude at the end of September when Minister Blanco and Central Bank President Raul Boada will attend a meeting of IMF governors.

Colombia

De Greiff Returns From U.S. Visit, Briefs Barco

*PA1209014389 Madrid EFE in Spanish 0010 GMT
11 Sep 89*

[Text] Bogota, 11 Sep (EFE)—Colombian Justice Minister Monica de Greiff briefed President Virgilio Barco today on her official visit to the United States to ask for help in the fight against drug trafficking.

The 32-year-old Colombian minister returned last night aboard a commercial flight from Washington, where she had traveled on 25 August with her family amid strong rumors that she would not return to Colombia and that she would resign from the post she has held since 16 July.

Justice Ministry sources said today that De Greiff "is maintaining her heavy agenda" and added that "nothing has been said about her leaving the country soon."

The rumors about her imminent resignation because of the threats against her and her family, including her 3-year-old son, Miguel Jose, have stopped with her return to Bogota.

According to official sources, Monica de Greiff's visit to Washington was to explain "the difficult situation in which the Colombian judicial branch carries out its dangerous job."

Part of the \$65 million in aid the United States has promised to Colombia to fight drug trafficking has already arrived in the country. It includes bulletproof vests, armored automobiles, and communication equipment for judges and officials of the judicial branch.

The Colombian justice minister, who studied law at Bogota's University of El Rosario and in the United States, will meet with the press tomorrow after having presented her report on her trip.

So far this year three judges who were in charge of cases against drug traffickers have been killed. In this decade, 200 people, including judges and attorneys, have been killed by drug traffickers.

Security Office Urges More Antidrug Operations

*PA1209015289 Bogota Inravision Television
Cadena 2 in Spanish 0013 GMT 12 Sep 89*

[Text] A DAS [Administrative Department of Security] report on the antidrug operations carried out by the Colombian Government presents a satisfactory assessment of the results reached by the Colombian security bodies. However, the report insists on the need to increase resources and continue the current antidrug operations for a long period of time to defeat the drug cartels.

This is a Noticiero de las Siete newscast report.

A confidential report prepared by analysts working for the DAS Intelligence Central states that, despite the results of the rural and urban antidrug operations and the dedication with which DAS and other organizations have been fulfilling their duty, it is not appropriate to make optimistic predictions about the eradication of the drug mafia violence. The document says it is not correct to make such predictions because the mafias have developed such a system that only a long-term operation will guarantee the dismantling of their vital centers and the confiscation of their disproportionate fortunes.

The report presents a fairly positive assessment of the operations carried out against drug trafficking, but it also clearly outlines the limitations of the Colombian State. Although the antinarcotics and antiassassination operations have increased and have been extended to metropolitan areas, and although the number of simultaneous

raids, permanent searches, checkpoints, patrol operations, arrests, and weapon confiscations have increased, the magnitude of the problem demands redoubled efforts. The problem also demands redoubled resources to establish the desired levels of security, especially for the members of the judicial branch, which has been the most affected sector, the document states.

The confidential document proposes various alternatives to tackle drug trafficking. One of those alternatives is the creation of a civilian and military command for the Middle Magdalena region with jurisdiction in Puerto Parra and Cimitarra, Santander Department; in Puerto Berrio and Puerto Triunfo, Antioquia Department; and in Puerto Boyaca. In that way, towns like Pacho and Yacopi, Cundinamarca Department, will be permanently controlled from Bogota and the state will prevent groups of assassins from getting together again.

Finally, the document notes that citizens are desperately calling for a more decisive attitude from the country's political parties, which have been severely criticized for their passivity in the face of the country's problems.

Former Medellin Mayor Gunned Down 11 Sep

PA1109145889 Madrid EFE in Spanish 1429 GMT
11 Sep 89

[Text] Medellin (Colombia), 11 Sep (EFE)—Former Medellin Mayor Pablo Pelaez Gonzalez, 45, was shot to death by unidentified individuals, while traveling between his home and office today.

Medellin, the second-largest city in Colombia, has been shaken by the drug trafficking mafia and has been under a night curfew since 30 August.

Details Provided on Murder

PA1109161189 Madrid EFE in Spanish 1509 GMT
11 Sep 89

[Text] Medellin (Colombia), 11 Sep (EFE)—Pablo Pelaez Gonzales, 45, a former mayor of Medellin, was murdered today by gunmen who fired seven shots at him, said medical sources at General Hospital, where the victim was taken after the attack.

Pelaez Gonzalez was intercepted by several unidentified individuals while en route to his office from his home in the El Poblado neighborhood in southern Medellin, Colombia's second largest city, where a curfew has been in effect since 30 August.

The attack took place at approximately 0845 (1345 GMT) when, according to witnesses, at least three unidentified individuals fired from various angles at Pelaez' vehicle.

The driver of the vehicle, whom authorities have not yet identified, was also killed in the attack.

Pelaez Gonzalez had presided over a "session for peace" on 18 August in Medellin, which is considered one of the most violent cities in the world.

On that very day, Colonel Waldemar Franklin Quintero of the police force in Antioquia Department, whose capital is Medellin, was murdered.

Pelaez Gonzalez was mayor of Medellin from 3 May 1984 to the end of 1985, and was currently the president of the "Tin Plate and Laminating Company" (HOLASA).

The authorities have attributed the murder to the drug mafias, who on 24 August announced a counteroffensive to the government measures, which are a declaration of "total war" against drug trafficking.

On 24 August, after a number of attacks, the "extraditables," the armed branch of the "Medellin Cartel," who, with the Cali Cartel are considered the world's leading cocaine producers and distributors, said that they would respond to the war with attacks on "politicians, judges, justices, union and company presidents, journalists, and the oligarchy."

Medellin, 200 km to the northwest of Bogota, has been beset by a wave of violence unleashed by the drug cartels, which over the past 3 weeks have carried out over 30 bomb attacks that have left many people injured and caused considerable damage.

Medellin Curfew Extended

PA1209004489 Bogota Inravisión Television
Cadena 2 in Spanish 0005 GMT 12 Sep 89

[Text] At the end of a security meeting, Medellin Mayor Juan Gomez Martinez announced today that the curfew in Medellin has been extended for an indefinite period. The local government made the decision after learning of the killing of Pablo Pelaez Gonzalez, president of the HOLASA company and mayor of Medellin in 1984.

Four Men Set Fire to Government Vehicles

PA1109145289 Bogota Radio Cadena Nacional
in Spanish 1200 GMT 11 Sep 89

[Text] Medellin—Four men who were traveling in a privately owned blue Renault with license plates LE-7570, have set fire to two government vehicles in the urban area of Rio Negro Municipality, in the eastern region of Antioquia. Two of them were arrested following a shoot-out with policemen, who also seized the vehicle in which the criminals had been traveling.

The arrested men have been identified as Diego Leon Orozco, 23, who claims he is an electrician; and Ernesto Gonzalez, also 23. They were seen spreading gasoline on and setting fire to an Antioquia Department dumptruck, with license plates OL-1400, and to a national government Isuzu dumptruck with license plates OP-4184.

The electrical equipment of these two vehicles was severely damaged. The authorities have said that a third terrorist was wounded and escaped on foot in the company of a fourth one.

A search is being carried out.

2 Farms Burned Near Medellin

PA1209025589 Bogota Inravisión Television
Cadena 2 in Spanish 0000 GMT 12 Sep 89

[Text] At 0330 today, 10 hooded and unidentified men arrived at the Almonte Farm located in Tablacito in the Rionegro Municipality east of Medellin, and knocked on the farmhouse door. A foreman working for Luis Alfredo Ramos, Conservative parliamentarian and general secretary of Pilsen Beer Company, was inside the house. After they shouted to the foreman that they were conducting a search operation, the foreman opened the door. The men asked him to let them in, assuring him that nothing would happen to him.

The men then proceeded to spread gasoline throughout the house and set it on fire. The resulting fire almost destroyed the entire farm.

Twenty minutes later and 1 km away, eight armed men used the same method, telling the foreman of Casa Chica Farm [owned by Colombian Petroleum Enterprise President Andres Restrepo] to open the door to the house. The men identified themselves as F-2 members.

The men asked the foreman whether the farm belonged to Andres Restrepo. Then they poured gasoline around the house and set it on fire. Beds, appliances, and the roof of the house were completely destroyed.

No one was killed or injured in the attacks. In both cases, the men used two luxury vehicles, which have disappeared without a trace. The total losses have not yet been determined.

'Paid Assassins' Kill Policeman, Son in Cali

PA1109144189 Bogota Radio Cadena Nacional
in Spanish 1200 GMT 11 Sep 89

[Text] Cali—The authorities as well as secret police organizations are astounded at the killing of a National policeman and his 2-year-old son by paid assassins. The two were killed as they were leaving a local church in Narino Corregimiento, Tulua, in central Valle del Cauca Department.

Many people witnessed the shooting of 26-year-old Wilson Rengifo, who was attacked by unidentified persons as he was leaving the Catholic Church.

In chilling and cold-blooded fashion, the criminals also killed the agent's 2-year-old son.

The police have not reported the motive of the crime, which has shocked the people of Tulua.

Authorities Report on Raided Traffickers' Farms

PA1209035789 Bogota Inravisión Television
Cadena 1 in Spanish 0100 GMT 11 Sep 89

[Text] The authorities have reported that 42 farms have been raided in the middle Magdalena area and will be turned over to the courts. They add that 13 of the farms belong to Gonzalo Rodriguez Gacha, 3 to Pablo Escobar, 2 to Henry Perez, and 1 to Gonzalo Perez. A preliminary report on the actions carried out by military forces against drug traffickers in Puerto Boyaca and middle Magdalena states that several similar details have been noticed in the farms, thus revealing the close relationship between Pablo Escobar's organization and Gonzalo Rodriguez Gacha's organization.

For example, the construction, layout, and decoration at the Riobamba Farm resemble that of the Albania Farm. According to the authorities, Riobamba Farm is owned by Rodriguez Gacha, although Fabio Correa was presented to the media as the farm's owner. Likewise, Correa's name appeared in several documents found at the Napoles Farm, which is owned by Pablo Escobar.

Riobamba Farm was designed by Architect Rafael Paniagua, who was also in charge of the Albania Farm project and at least 15 additional farms which the authorities say are part of the drug traffickers' properties.

In fact, the same type of workmanship and even the same materials are found in the furniture on all the middle Magdalena farms raided by the authorities so far. The farms differ in the shapes of their swimming pools, but they are alike in the children's recreation areas and stables. The architectural lines of all the farms are similar. Regarding the cattle, all the animals have up to five different brands that are registered in different parts of the country.

The style and placement of the luxurious buildings follow the same guidelines, the same pattern, and the same strategy.

Candidates To Campaign With Ambulances

PA1109184789 Madrid EFE in Spanish 2137 GMT
9 Sep 89

[Excerpt] Bogota, 9 Sep (EFE)—Two Colombian presidential hopefuls, both from the Liberal Party, have opted to include as part of their campaign team two modern ambulances each equipped with surgical instruments, blood, and syringes, as well as two doctors—one of them a general surgeon—and one nurse.

Both Senator Ernesto Samper Pizano as well as Cesar Gaviria Trujillo, a former minister of finance and of government, will be accompanied by their respective ambulances during their political campaign.

The politicians agreed to have the ambulances while campaigning to handle any emergency which may arise. [passage omitted]

Patriotic Union Chooses Presidential Candidate

PA1109222789 Bogota Inravisión Televisión
Cadena 1 in Spanish 0100 GMT 11 Sep 89

[Text] Bernardo Jaramillo Ossa was appointed presidential candidate of the Patriotic Union [UP] this afternoon. His post as UP president will be assumed by UP Vice President Diego Montana Cuellar. The UP closed its second congress convinced that it had overcome fear. Even though 800 of its leaders have been assassinated, the party's political platform for the next presidential term is ready and it will be presented to the country.

Mandatory vote; state financing for political campaigns; people's election of governors, municipal authorities, attorney general, and comptroller; state compensation to victims of the dirty war; and a government with the participation of several sectors are an essential part of the political platform that the party will defend in the town squares.

[Jaramillo] "This is not a party candidacy. We believe that the solution to Colombia's current problem lies in a pluralist government of democratic convergence. The UP candidate will work every day to achieve that important political consensus to build a pluralist government that solves the country's basic problems."

The party's strategy is to work alone until March 1990, when it will join a convergence candidate who represents—according to them—the nation's interests.

Union Leader's Murder Prompts Strike

PA1109173489 Hamburg DPA in Spanish
2153 GMT 9 Sep 89

[Text] Bogota, 9 September (DPA)—It has been reported in Bogota that at least 26,000 Colombian banana industry workers have begun an indefinite strike to protest the murder of their leader, Sebastian Mosquera, who was shot to death by gunmen today.

Mosquera, treasurer of the National Agrarian Workers Union [Sindicato Nacional de Trabajadores Agrarios—SINTRAINAGRO], which includes all of the workers in the banana sector, was attacked by unidentified individuals, presumably mercenaries from ultraright-wing paramilitary groups, in the northwestern town of Turbo, Antioquia Department.

According to the report, the labor leader was traveling in a public vehicle when he was accosted by two men who forced him out of the vehicle to shoot him.

At an emergency meeting, the SINTRAINAGRO's board of directors decided to indefinitely suspend its activities, thereby completely paralyzing the banana industry, one of the country's richest.

For the past several years, the Uraba region near the Panamanian border—where most of the fruit is produced—has become the site of a "war" the armed

right-wing squadrons have declared against union members, whom they describe as "guerrillas."

Labor leaders in the region have leveled accusations that the gunmen, who are financed by drug traffickers, operate—according to secret police investigations—with the help of members of the Armed Forces.

Greater Benefits From Oil Production Planned

PA1209033989 Bogota Emisoras Caracol Network
in Spanish 1215 GMT 8 Sep 89

[Text] Bogota—As of today, the Colombian Government will begin obtaining greater benefits from the production of oil fields with large reserves. In addition, the government introduced changes to the current system of partnership contracts.

During the inauguration of the first oil forum held in the Colombian Congress' Elliptic Room, Colombian Mines and Energy Minister Margarita Mena announced ideas presented by such important Colombian figures as Former Colombian President Alfonso Lopez. Those ideas led to the adoption of measures that will give ECOPETROL [Colombian Petroleum Enterprise] gradual or spread-out participation in the benefits of exploitation of oil fields that contain large oil reserves, such as the Cano Limon oilfield.

Similarly, Minister Mena said that the surrender or transfer of property transactions among oil groups or companies similar to that conducted by Occidental Petroleum and Shell Oil will be conducted in such a way that the government will be aware of and will approve the operations before they take place. In addition, the government will create mechanisms through which those transactions will be taxed by the Colombian State.

The modifications to the current partnership contracts for the exploration and exploitation of hydrocarbons include the creation of an ecological control office through which oil companies will have to assume responsibility for environmental damage. In addition, the modifications create mechanisms to guarantee a technological transfer to Colombian professionals and workers.

Minister Mena asserted that the modifications will go into effect as of today and that they will not affect currently valid partnership contracts signed by ECOPETROL and its partners.

Peru

President Garcia Discusses Trafficking, Debt

PY1209003489 Lima Television Peruana in Spanish
0100 GMT 11 Sep 89

[Interview with President Alan Garcia by unidentified correspondent; date, place not given—recorded; monitored in progress]

[Text] [Garcia] There are millions of consumers who are not penalized; only the big dealers are penalized. This is

the first time someone has talked about penalizing the consumers, who are responsible for the production of drugs in our country. I think this represents an important step forward.

We are therefore willing to support President Bush's proposal. But first of all, we must make some comments.

In the first place, drug trafficking is not a problem affecting just the United States, Colombia, Peru, and Bolivia. Another party—Europe—is missing at this roundtable.

If we could slow the movement of cocaine to the United States through police action or repression it would only take another route toward a possible new large market: Europe.

It is vital, therefore, that Europe participate in an overall international strategy to fight drug trafficking and consumption. U.S. participation is not enough. Europe's participation is also necessary to avoid politicizing the issue.

As you well know, our relations with the United States have always stirred up suspicions and problems in Latin America. What is more, drug traffickers have joined extreme leftist organizations in our countries. So Europe's presence would solve any political problem that may surface. This is why one of our first comments is that Europe must participate, represented by one of its presidents. President Mitterrand recently said that he will firmly support the struggle against drug trafficking. Very well then; either he, the Italian chief of state, the Spanish president, or the head of the EEC should participate in the dialogue that the United States, Colombia, Bolivia, and Peru could maintain.

[Correspondent] During a news conference in Italy you first made this proposal. Did you discuss this issue with Italian President Francesco Cossiga?

[Garcia] I discussed the issue with President Cossiga, as well as with the former head of the Socialist Party and leading figure in Italian politics, Bettino Craxi. They agreed. I also spoke over the phone with other European chiefs of state to try to get them to find one representative for the dialogue we must hold to adopt an international strategy against drug trafficking.

But there is something else missing from President Bush's speech—and it was a speech rather than a proposal—and that is a concrete proposal on how the coca plantations in our countries will be replaced and how we are going to replace the financial aid granted by drug traffickers in our countries. This sort of aid does exist, though it is granted indirectly. In the Huallaga Valley, for example, there are thousands of families, perhaps 60,000 families, with 3 or 4 hectares each of coca plants.

We are not drug traffickers in Peru. We produce the coca leaves that are taken in small planes to other places where it is sold in the form of cocaine hydrochloride. In Peru we have 60,000 families, thousands of people, who live directly or indirectly off the coca plantations. How

can we leave them in utter poverty, without jobs or the means to survive? The coca plantations must be replaced gradually and for this we need to make investments. We need to invest in new plantations and to create opportunities for the rich countries to purchase the products—such as cacao, coffee, and annatto [achiote]—that could be grown on the land where coca is grown now. This is what is known as the replacement of plantations.

President Bush said in his speech that he will struggle against drug consumption in the United States through educational programs; that is, he is going to replace the psychological stimulus for youth so that they do not become drug addicts. We must replace the crops here so that the peasants will have jobs. They must not be left in misery to turn to subversion or terrorism.

We feel that President Bush's speech did not address this subject sufficiently. It is a speech addressed to the U.S. people, and it lacks a clear economic guideline for our countries. Moreover, I do not like the term aid. President Bush has said that he will earmark \$7.9 billion next year for the struggle against drug trafficking.

According to some international observers, there is a bit of cheating in this figure, because out of \$7.9 billion, \$1 billion will be used to build new prisons in the United States. According to the observers, this had already been budgeted. It is said that \$261 million of the \$7.9 billion is for the three producer countries. This sum is extremely small when compared to \$7.9 billion, but it is even smaller, and almost ridiculous, when compared to overall U.S. military expenditure. According to specialized magazines, the United States spends more than \$300 billion per year to maintain their fleets in the Persian Gulf, the Mediterranean, the Pacific, and for all expenditures in the nuclear field—a total of \$300 billion per year. Then it earmarks only \$261 million for a whole year for the three countries considered to be producers of coca leaves and cocaine; that is, less than a thousandth part of its overall military expenditure. This is not a significant amount, especially since President Bush said that drugs represent the main scourge, the most serious problem facing the United States. Very well then; if it really is the most serious problem the United States has, they must earmark much more.

Problems are not solved merely through speeches. I think it was a very good speech, and it must be supported. We need more resources with which to replace the coca plantations and improve the living standards of those families who are currently engaged in coca production, not through their own fault but through the fault of the consumers in the rich countries.

Peru is full of iron ore and copper but it has not forced the world to purchase and use Peruvian copper and iron ore. The consumers of the rich countries are to blame for distorting our economies by encouraging us to grow coca leaves in the jungle. Therefore, the solution must come from them.

The struggle against drug trafficking, which requires Europe's presence for a start and the replacement of coca plantations in the second place, cannot be seen as a form of aid. Giving Peru \$70 million in one year is not like giving it aid, but rather like giving it a tool to help the United States in a struggle against a social problem that is a real scourge. We are willing to cooperate in this struggle and to work, but for this we demand overall strategies and greater determination to grant resources.

[Correspondent] What the U.S. President and maybe the U.S. people do not understand is that although the drug problem represents the deterioration of its society, in Peru, Colombia, and Bolivia it represents a problem affecting the economy of thousands of people.

[Garcia] I would like to rephrase your question. It is a moral problem for the United States, where the youth consume the drug, as well as for our countries, where our peasants produce the raw material for the drug or, as in the case of Colombia, where the drug traffickers market the cocaine. It is a moral problem for mankind.

It is a great problem for the United States to have millions of youths consuming crack—which is what we call cocaine base paste—or consuming cocaine. This problem has an indirect effect on the Latin American economy. For many years hundreds of millions of dollars went to Latin America, mainly to Colombia, and very little to Peru, which produces the coca leaves. These dollars nourish the Ocona market [referring to Ocona Street in Lima where a free money exchange market operates]. When middle class Peruvians travel abroad, they buy their dollars on the Ocona market and are thus using the dollars generated by drug trafficking. The people who buy dollars on the street to save are also using those dollars. Therefore, those dollars in some way or another have given a job to 60,000 or 70,000 families in the Huallaga Valley and have supplied our economy. This also has a negative aspect, because it diverts a great quantity of intis that should be used for national production and consumption. This purchase and sale of dollars on the streets every day diverts a great quantity of intis.

You also mentioned an economic problem, a problem for the peasants. There are 60,000 peasants and they are not criminals. They cannot be regarded as guilty.

As a Latin American president, I feel a little bit uncomfortable over the statement that the North Americans are victims of the drugs produced in Latin America and that Colombia, Peru, and Bolivia are to blame for producing the drugs; let's call those countries to talk with them. That seems to me a very ethnocentric vision; it looks at this matter from only one side. Our peasants are poor people who produce whatever is most profitable, and coca cultivation happens to be most profitable for them. This is so, speaking coldly, honestly, and sincerely. As president of Peru I have to point out that my people, the Huallaga region peasants, cannot be considered criminals or people who must be jailed for producing coca leaves.

We have exchanged these views with President Barco, and we reached these conclusions. We must also note that this matter has been handled with a great deal of publicity. After the death of Carlos Galan, a great Colombian leader, the Colombian Government launched an offensive intended to find out whether the drug trafficking bands were responsible for his assassination, and the U.S. Government then extended some assistance. This assistance has been present to the world as though the United States had sent an enormous quantity of aircraft, hundreds of helicopters, and thousands of millions of dollars to Colombia. As I was able to see in Bogota, only helicopters, some of which had been purchased earlier by the Colombian Government, were sent. I was also informed that some of those helicopters had been used previously in Peru.

I have said that, if there is that much conviction, I support President Bush for defending U.S. society. If he has that much conviction, it is hard to believe that less than one thousandth of what is spent in arms and military expenditures should be allocated to replace coca plantations and to improve the general situation in Latin America. We have talked with President Barco, and I will talk with President Paz Zamora to see how we can exchange opinions. Then, as President Bush said, a meeting of presidents will be welcome. But the meeting should also be attended by Europe, which has a fundamental interest in the future.

[Correspondent] Would the idea be to hold a meeting in the near future of Peru, Colombia, and Bolivia with President Bush and a representative of the EEC?

[Garcia] Yes, because drug trafficking is a growing problem, cartels have sprouted in Colombia—monopolies that try to elect deputies and senators to influence the government. Those monopolies might extend their operations to our countries if we do not stop this growing problem. The situation can become worse in Bolivia, where it was said that the drug traffickers had an influence on a dictatorial military regime. It is not just a matter of protecting the morality of humanity; it is not just a matter of defending the United States, which has a primary role in world leadership; it is essentially a matter of defending our democracy—the legitimacy and cleanliness of our social life. I hope that we can have a meeting of the three presidents first, so that we can let the U.S. President know our views on the overall problem.

[Correspondent] Will you propose that meeting, Mr President?

[Garcia] I don't want to assume a leading role. The idea emerged in a conversation with President Barco, and I will talk later with President Paz Zamora.

[Correspondent] A meeting between you and President Bush late this month has been mentioned. Is this true, Mr President?

[Garcia] No, I believe that has been mere speculation in the press. For the time being I have discarded the idea of

making another trip abroad. I do not see the concrete possibility of meeting with President Bush, although I hope we can meet sometime before 28 July 1990.

[Correspondent] Changing the subject, Mr President—much has been said in recent days about the possible or probable expulsion of Peru from the IMF. What is the truth about this, and what would expulsion mean?

[Garcia] Well, first, it is politically impossible for Peru to be expelled from the IMF. Second, there is misinformation and alarmism regarding the matter. What is the IMF? It is some sort of creditor bank created in 1946 that lends money to countries with balance-of-payments problems; that is, with problems with their foreign reserves levels. When a country has no reserves or only \$100 million in reserves, it can apply for a credit from the IMF to pay for imports or overdue debts. This is the IMF, an organization created to facilitate the flow of international financial resources. An IMF credit is dependent on signing a letter of intent or an adjustment program. Adjustment means reducing the country's internal consumption so as to spare the country's reserves in order to meet debt obligations.

These are basic concepts the country should have clearly established: The IMF is a creditor bank to which we owe money, and the IMF is an organization that supports an economic theory to guarantee the repayment of loans by the debtors. If the country consumes less, more resources are left to meet its debts. That is the IMF.

It has been said, to great alarm of the population, that the country might be expelled from the IMF, and I have the obligation to say something.

In the first place, since my government began 4 years ago, Peru has not had relations with the IMF. It continues to be a member of the IMF, and it has a seat in a large assembly of 150 countries, but it has not received a single dollar from the IMF nor has it signed a letter of intent or an adjustment program with the IMF. Nevertheless, the world has not collapsed and the skies have not fallen in those 4 years. Even before my government, Peru had stopped payments to the IMF. So it seems to me that there is a great deal of alarmism regarding this matter. Advice or intervention or loans from the IMF will not solve the problems of Peru.

In the second place, it has been said that because Peru has a large debt to the IMF, just like 15 other countries have, Peru will be expelled. This is politically impossible to do, because for Peru, or Sudan, or Argentina—all of which have fallen behind in their payments to the IMF—to be expelled, would require the vote of 85 percent of the IMF members. In other words all Latin America, Yugoslavia, Italy, Canada—friendly countries—and India would have to vote against Peru. That is politically impossible.

In the third place, no country has ever been expelled from the IMF. The IMF has been sending us dunning letters, as is appropriate and legitimate for the IMF to

do. We owe the IMF nearly \$900 million. Every so often, therefore, the IMF sends us dunning letters, and it holds meetings in which Peru is branded as noncooperative. We reply by reasserting our position: As long as we do not have sufficient reserves and sufficient sustained development, the sacrifice to pay the IMF is not advisable. Four years ago, the same people who are now raising the alarm and creating agitation through the media were not concerned over nonpayments to creditor banks. At that time, CONFIEP [National Confederation of Private Business] executives traveled throughout Europe, telling the newspapers that Peru should pay less than 10 percent of its export earnings. Now, for the past 4 years, we have been following a different policy. If we have a problem with our payments to creditors, it is because the country has its problems, or because the international price of some fundamental product has declined, or because the conflict over bank nationalization caused capital to flee and the country's economic and political situation was consequently disturbed. The IMF is not indispensable. Ten months ago, we had only \$300 million in reserves and went into a crisis. We had to raise the price of the dollar, raise interest, and raise the prices of many products in order to restrict internal consumption and build up our dollar reserves. We now have \$1.35 billion in reserves, \$1.05 billion more than 10 months ago. This is the best evidence that a country with some austerity and sacrifice can rebuild its reserves, with no need for the help of any organization that would have imposed much more drastic policies, such as those imposed on Argentina. I have constantly refused to have electricity rates increased by 1,000 percent in a single day or to have the price of gasoline increased by 12 percent a month—though it is doing so now. Nevertheless, I am asked to increase the price of gasoline 600 percent as part of the shock packages that are proposed.

In exchange for those packages, the IMF offers to lend us \$900 million so that we can pay back the \$900 million we owe, and to monitor our economic performance so that it can loan us more money with guarantees of repayment. This is the policy we have stood against as a matter of principle. We must maintain our principles, because the situation has not changed. True, there has been a slight change in the position of the international banks and the IMF, thanks to the pressure we have exerted for 4 years. There has been a slight change in the creditors, who now say that the debt must be paid as permitted by the debtor's ability to pay, without sacrificing its economic development and well-being, and that the debt market value has dropped from 100 percent to 80 percent. I say that this is still not very much.

They are recognizing the need to reduce the debt, the need to reduce it by 20 percent. I believe that the debt should be reduced by a much larger percentage, because the debt has a market price that should be established by the ability of the debtor to pay. The situation is beginning to change, but it is not enough. We firmly and clearly believe, without emotion or bitterness, in our position. The international banks and the IMF have not

changed. They continue to demand harsh economic measures in the face of which our adjustment policies of the last 10 months would not have had any meaning or dimension.

We are asked to implement absurd measures that would represent in a single day the loss of two-thirds of the purchasing power of salaries.

To sum up, the IMF is a bank just like any other. It imposes a theory to guarantee the payment of credits to all banks. It is legally and politically impossible to have countries that are in the same position as Peru vote against Peru.

We have conveyed to the IMF that we do not want any confrontation. What we demand before the world, and everyone agrees, is that the IMF change its concepts. It should be recognized that Peru must develop before we borrow more money in order to pay them and then end up without a penny. We had growth for 2 and 1/2 years. Everyone applauded, because we were not with the IMF, under which could have not grown. Under the previous administration, the IMF destroyed almost half of the national industry. We stimulated consumption, we refinanced the debt of our national industry, and we created a market within the country. Things worked out for 2 and 1/2 years, but it worked out in excess.

There was too much growth and that had to be kept under control. Now, after 1 year, you can see that the reserves have grown again and this allows new growth. We are going to grow and take measures against inflation without the IMF and without the need of a loan that in reality does not exist. The idea of getting a \$900-million loan to pay the \$900 million debt is not credit. What Peru needs is credit or productive investment like the Mobil Oil investment of hundreds of million of dollars for oil exploration in the Peruvian jungle. This is real productive investment. It is a risk investment to search for wealth for production and work.

The story that I will loan you 1,000 so that you can pay me the one thousand you owe me is not credit. In exchange for that, the IMF demands policies that are much more traumatic than the ones implemented in Peru in the last few months without IMF tutelage. We should look at other countries to see the harsh economic measures proposed by the IMF. The complaints in those countries would be even worse.

Candidate on Bush's Antidrug Speech

*PY1109221889 Lima Television Peruana in Spanish
1800 GMT 11 Sep 89*

[Excerpt] [Reporter] Dr Rene Flores, APRA [American Popular Revolutionary Alliance] candidate in the Miraflores district, is here with us today. Good afternoon, Dr. Flores.

[Flores] Good afternoon.

[Reporter] You are not only a member of APRA and an APRA candidate, but also an expert on topics related to drugs. You have also been director general of the Interior Ministry's Drug Control Executive Office. What is your opinion of U.S. President Bush's 6 September message on drugs?

[Flores] As we all know, the U.S. President delivered a message to the world presenting his new strategy for the antidrug fight. We should note two very interesting aspects of the message. One is the cautious, moderate, prudent attitude expressed in his words. The other is that the message is not only a proposal, but also a call for cooperation. The message consisted of a proposal and a call for other proposals. For those of us helping to develop the fight against drugs, these two aspects were of special interest. Several high-ranking U.S. officials had already commented on the topic. The U.S. vice president, the director of the national antidrug policy, one of the U.S. secretaries of state [as heard]...

[Reporter, interrupting] Excuse me Dr Flores, hasn't there been anything new about the message delivered by President Bush?

[Flores] Yes, this message was different from the previous ones, because in the past the U.S. officials had been very laconic and guarded. President Bush's message had been anxiously awaited, and when delivered, it was not surprising: The message was prudent, very cautious. It was not as thorough as everyone had expected it to be.

[Reporter] Please tell us what are the most important aspects of this message and what important aspects are missing?

[Flores] Well, two aspects must be emphasized. One is the President's decision to adopt a clear position. His message is openly confrontational and shows that the U.S. President is facing the problem directly. The other important aspect is that, for the first time, the U.S. President is publicly taking responsibility for the problem. For the first time, the U.S. President admits the U.S. guilt in the drug issue and the fact that, as a drug consuming market, the United States stimulates drug production. That is why President Bush established several measures to be adopted inside the United States in the fields of law, police action, and public health. Several of these measures are very important but could only be analyzed if we had the text of the message here in our hands.

[Reporter] What new solutions does the message offer that could be used in the Peruvian antidrug plan?

[Flores] Before answering that question, I would like to speak about the important points that are missing from President Bush's message. For example, President Bush restricts his offer of economic cooperation to police work in the antidrug fight, and he offers \$261 million to be used in this fight in three countries. Peru would, consequently, receive only one-third of that amount. Although this help is twice what we are getting now, the amount is entirely insufficient. Drug production and drug trafficking in those countries yields \$7 billion, at least.

Therefore, the amount President Bush is offering is insufficient, even for police work alone.

The U.S. Secretary of State [title as heard] Richard Thornburgh, who visited Peru early this year, said something obvious. He said: The best way of losing the antidrug fight is to leave the fight in the hands of the police. He did not mean that the police do not fulfill their part in the fight. He meant that the problem is much more complex than mere police work, and we agree with him. That is why I am insisting on this point.

President Bush, however, did not refer to one aspect of the antidrug fight that is of concern to hundreds of thousands of Latin American families. He did not comment on rural development in the areas where coca is being illegally planted.

[Reporter] Approximately how much would the Peruvian Government need to eradicate coca plantations in our country?

[Flores] I would answer that question in two parts. In his message, which presented not only proposals but also called for cooperation, President Alan Garcia [as heard] pointed out that the European countries, the EEC countries, should contribute to the antidrug fight because the cost of that fight is financially very high.

[Reporter] My question was how much would the Peruvian Government need to eradicate coca plantations.

[Flores] In modest figures, the eradication plan we drafted in 1986 to be implemented in the Alto Huallaga region alone would cost, at least, \$400 million. An overall plan to be implemented nationwide would cost, to start with, \$2 billion. That would not include the social and political aspect of the eradication of illegal coca plantations.

[Reporter] In their message, they offer \$261 million to be used in three countries.

[Flores] Yes, to be used in the police work alone.

[Reporter] This means that the proposal will not help fulfill the hopes of the countries that are going through this serious conflict.

[Flores] Well, we cannot give a categorical answer to that question, because there are three limitations to the message delivered by the U.S. President.

[Reporter] What are those limitations?

[Flores] First, there is no agreement about policies and objectives among the countries. Such agreements have not been drafted. That is why President Bush's message offers some proposals and calls for other proposals. Second, the U.S. budget can be reduced because the U.S. fiscal deficit is very high. As a result of that deficit, all programs were reduced 10 percent last year. Third, the mechanisms that would allow us all to attack the problem in a new way, by using a new strategy, are not ready to be put into operation. The agreements drafted during the last year's convention against drug trafficking [not further identified] have been ratified by only one country. To be enforced, however, they must be ratified

by 20 countries. The mechanisms—to control money laundering, for example, or to control chemical substances used to process the drug—can only be put into operation after the agreements are ratified.

[Reporter] Yes, this is a very serious problem. [passage omitted]

Economy Minister Denies Rumors of IMF Expulsion

PY0909175789 Lima Television Peruana in Spanish
0100 GMT 9 Sep 89

[Report on a news conference by Economy Minister Cesar Vasquez Bazan with unidentified reporters; date and place not given—recorded]

[Text] The economy minister has denied that Peru will be expelled from the IMF. Cesar Atala, Peruvian ambassador to the United States, has told the minister that IMF officials have denied sending a letter on Peru's alleged expulsion from the organization, as asserted by FRE-DEMO [Democratic Front] leader Mario Vargas Llosa.

Economy Minister Cesar Vasquez Bazan stated again this afternoon that Peru will not be expelled from the IMF, confirming the fact that Peru will continue its membership in the creditors' international community. Vasquez reported that Ambassador Atala sent him a telefax stating that the highest-ranking IMF directors have flatly denied sending a letter to Peru on its possible expulsion.

Vasquez Bazan also said that 94 percent of the Peruvian foreign debt was contracted from 1982-1984, when Manuel Ulloa Elias and Carlos Rodriguez Pastor were Peru's economy ministers.

Minister Vasquez added that he had contacted the EFE and REUTER press agencies to ask about rumors that these two agencies had published the news that Peru was going to be expelled from the IMF. Journalist (John Reytsches) told him that reports from Lima encouraged him to publish the news. Journalist (Reytsches) thus hinted that he had spoken with Dr Mario Vargas Llosa.

[Begin Vasquez recording] The cable I have in my hands states that Peru is about to be expelled from the IMF and that IMF executives are divided about (whether to expel the country) from the IMF. I can tell you that both rumors are unfounded: Peru is not about to be expelled—and will not be expelled—from the IMF nor is the IMF divided about any decision, as there is not any such decision being made. Nonetheless, we needed concrete facts on which to base our denials and this is why we made a number of inquiries today. We first called the Peruvian Embassy in Washington and have been in continuous contact with Ambassador Cesar Atala. He has sent us a telefax, a copy of which has been handed to each of you. This telefax states:

I hereby inform you that the highest-ranking IMF officials have flatly denied having made any comment on

the text of a letter allegedly sent to Peru. I have handed you all a copy of this telefax to show that the stories published by two very important press agencies are false.

Additionally, we have contacted Ricardo Lombardo, deputy director at the IMF for the group of nations to which Peru belongs.

We also contacted Raimundo Morales Zurresti, Peru's executive director at the World Bank. These diplomatic and financial sector sources have confirmed that no IMF official has told any journalist anything about the negotiations between Peru and the IMF because this is not the IMF's policy in negotiations. The IMF directors do not make public comments on their relations with the countries negotiating with them.

We also contacted journalist (John Reytsches), who signed the REUTER press agency cable that started these rumors. The cable states, for example, that the Peruvian Government has received a letter. As the Peruvian economy minister, I can deny this bit of news. Nobody, not the Peruvian Government, the president of the Republic, the economy and finance minister, nor the Central Reserves Bank chairman has received any letter from the IMF. There has been no such letter, and this rumor is entirely unfounded.

In view of these rumors, which have been denied by all the diplomatic and financial sector sources whom we have consulted, we felt obliged to contact Mr (Reytsches). He told us that he was encouraged—this is the word he used—to publish this news by reports received from Lima about the IMF position regarding Peru.

In other words, Mr (Reytsches) listened to comments made in Lima by second-rank, unofficial sources. This is why the REUTER press agency cable does not mention the sources used by Mr (Reytsches) in obtaining the story. The EFE press agency cable mentions sources that chose not to be mentioned.

These cables also mention a letter sent to President Garcia, a letter that does not exist. The policies adopted by financial organizations like the IMF establish that any contact with the governments of the countries that are negotiating with them is made through the country's representatives to the IMF. In our case, I am the Peruvian representative to the IMF, and the Central Bank chairman is the deputy representative. I can assure you that none of us—not the president of the Republic, the Central Bank chairman, nor the Peruvian economy minister, who is Peru's representative to the IMF—has received any such letter, nor any threat of being expelled from the IMF. We are not withdrawing from the IMF nor resigning our rights before the IMF, as was said this morning.

On the contrary, we are currently negotiating with the IMF and, as we have said before and now repeat, we have no problem with holding talks with the IMF or with

members of any other international financial organization as long as the interests of the Peruvian people continue to be defended and protected.

Foreign Trade Officials Depart for Czechoslovakia

*PY1109122889 Lima Television Peruana in Spanish
0100 GMT 10 Sep 89*

[Excerpt] Foreign Trade Institute [ICE] President Rodolfo Beltran Bravo and ADEX Peru [Peruvian Exporters Association] President Roberto Persivales Serrano have departed for Czechoslovakia to inaugurate a Peruvian products fair.

[Begin Beltran Bravo recording] The ICE is responsible for promoting foreign deals. We will sign a general agreement with Czechoslovakia for the exchange of our products, or barter trade, with Czechoslovakia. The agreement will allow Peru to export many nontraditional products such as canned fruit, textiles, and shoes. [passage omitted] [end recording]

Economy Minister Announces Salary Increase

*PY1109131289 Lima Television Peruana in Spanish
0100 GMT 10 Sep 89*

[Excerpt] Economy Minister Cesar Vasquez Bazan today announced the government has decided to grant a 25 percent salary increase to nonunionized private sector employees as of 1 September. [passage omitted]

[Begin recording] [Passage omitted] [Reporter] Is this 25 percent only applicable to employees earning the minimum salary?

[Vasquez] No. The increase is applicable to all nonunionized employees. We will also try to grant the same increase to government employees. I want to tell government employees that we are aware that recently their salaries have lost their purchasing power. We have already fulfilled one of our promises; we have singled out specialized jobs and paid a differential in June and August. We intend to progressively improve their earnings.

[Reporter] When will the increase become effective?

[Vasquez] It will be effective 1 September.

[Reporter] Will the government continue to implement minidevaluations?

[Vasquez] I would like to make something clear. We began implementing minidevaluations as of 6 July. We intend to continue this system. We are implementing a 0.65 percent daily devaluation in September. Our September devaluation will thus reach 15 percent.

This system is quite different from the previous one. The Central Bank used to apply a 40 or 30 percent devaluation in the first months of the year. This is an agreement between the government and the Central Bank to slow down inflation.

Here I want to ask all Peruvians to cooperate and avoid being stampeded by rumors like the one on our alleged

separation from the IMF that pushed the price of the dollar to 4,800 intis. Today the dollar price has dropped again to 4,350 or 4,400 intis and I believe that it will drop even further. The policy of minidevaluations is a realist policy. It is difficult, but realist. [passage omitted] [end recording]

MRTA Claims Responsibility for Attack

PY0909221289 Madrid EFE in Spanish 1829 GMT 9 Sep 89

[Text] Lima, 9 Sep (EFE)—The Peruvian terrorist group Tupac Amaru Revolutionary Movement (MRTA) has claimed responsibility for the 8 September attack during which a policeman died. After the attack one of the terrorists was killed, and another was arrested by the security forces, according to the information released in Lima today.

MRTA telephoned Lima news media to report that it had carried the attack "to protest the nefarious economic policy" of Cesar Vasquez, Peruvian economy and finance minister. The attack occurred in front of Minister Vasquez's residence in the Lima neighborhood of San Miguel.

Sergeant Rene Rengifo was killed when the police car in which he was sitting with two other police officers guarding the minister's house was machinegunned from a moving vehicle containing five people. The other two police officers were not injured.

Peruvian National Police sources reported that the attackers were pursued and that one of them died in the shoot-out that ensued near a housing development in northern Lima. Another attacker was injured and captured while the remaining three managed to escape.

According to these sources two bodyguards of Henry Pease, the leftist candidate for Lima mayor, were kidnapped for 8 hours on Thursday, 7 September, by people who threatened to kill them. The bodyguards managed to escape.

The daughter of Fermin Raras, a militant of the United Left and candidate for deputy mayor of Cerro de Pasco, capital of Pasco Department in the Peruvian central mountain range, was shot to death on 8 September by three people who were trying to abduct Fermin Raras. According to the reports published by Lima newspapers today, Gladys Raras, the murdered young girl, was the niece of leftist Senator Genaro Ledesma.

Police Clash With Subversives in Lincha, Kill 8

PY0809214389 Lima Television Peruana in Spanish 1800 GMT 8 Sep 89

[Text] Police forces killed eight subversives in a clash last night in Lincha, southeast of Canete Province, Lima Department.

A police spokesman said the police patrol surprised the terrorists near the Andean town of Lincha. He added that 12 policemen were wounded in the ensuing clash.

Terrorists Kill Policeman at Minister's Home

PY0909121189 Lima Television Peruana in Spanish 0100 GMT 9 Sep 89

[Excerpts] Just 2 hours ago six terrorists in a station wagon murdered a Federal Police corporal and wounded two other policemen guarding the home of Economy Minister Cesar Vasquez Bazan in the Maranga District.

According to witnesses, the subversives mounted a surprise attack and then quickly escaped. Right now the police and Armed Forces are mounting a giant dragnet operation to capture the attackers. Minister Vasquez was not at home when the attack took place. Here is a report:

At 1825 this afternoon a subversive group attacked Economy Minister Cesar Vasquez Bazan's home, located on the third block of Giron Andres Errazuriz in Maranga District. According to a preliminary report, General Police Corporal Rene Renclifo Latorre died in the attack. [passage omitted]

[Begin recording] [Unidentified police officer] I want to express my condolences to the family and the comrades of the honorable policeman who died here. Second Sergeant Rene Latorre, a member of Patrol 527 on assignment in front of Minister Vasquez's residence.

The terrorists drove a white pickup [as heard] with polarized windshields and mounted a surprise attack against the guards of the residence. This is the usual way these assassins operate. The patrol was made up of three policemen: the second sergeant who died, a corporal, and a guard.

[Reporter] According to reports, one of the terrorists was also wounded.

[Officer] The policemen returned fire and it is possible that they wounded one of the terrorists.

[Reporter] Was the minister's residence affected?

[Officer] I am sure that the terrorists did not intend to attack the residence. They wanted to attack the police patrol, which was parked some 50 to 80 meters from the house. [end recording] [passage omitted]

Uruguay

Minister on Panama Ties, Colombian Situation

PY0809013389 Montevideo Radio Carve in Spanish 0000 GMT 8 Sep 89

[Text] Foreign Minister Luis Barrios Tassano has told the Congressional International Affairs Committee that our country will not break diplomatic relations with Panama.

Later the foreign minister talked with reporters, but he refused to comment further. Barrios Tassano also talked about the war on drug trafficking in the Northern Hemisphere. The foreign minister said that even though the drug situation in our country is a cause for concern, it has not reached serious levels.

Asked about our country's position on Panama, Barrios Tassano said:

[Begin recording] [Barrios] We will not sever relations with Panama. Uruguay will maintain relations, the embassy will be kept open, and diplomatic relations will continue as established. No more comments.

[Reporter] Is the government studying the situation in Panama? Will our government assume any particular position on the issue?

[Barrios] No comments.

[Reporter] [Question indistinct]

[Barrios] No further comments.

[Reporter] Can we talk about drug trafficking?

[Barrios] Yes, of course.

[Reporter] Will the Uruguayan Government assume any position regarding the situation in Colombia?

[Barrios] As we have said in the United Nations, the OAS, and the Group of Eight, we extend our solidarity and we are willing to cooperate with the Colombian Government, or any other government, that might be affected by the production, consumption, or traffic of drugs. We are willing to cooperate. We have repeatedly said so. [end recording]

Medellin Cartel Activities Reportedly Increasing

PY0809172189 Montevideo LA HORA POPULAR
in Spanish 31 Aug 89 p 5

[Text] A report released yesterday by sources of the Narcotics Brigade shows that the Medellin and Cali Cartels are increasing their activities in Uruguay, because Bolivian cocaine passes through Uruguay in transit to its final destination: the consumers of Europe and the United States. The report adds that in 1989 authorities seized 400 percent more cocaine than in 1988.

In 1988 the Narcotics Brigade seized 6 kg of cocaine, all of which came from Bolivian cities. It was usually carried by people who had agreed to take it to Europe for a large payment in dollars. The drug was usually hidden in luggage that was checked with the appropriate airline in the usual manner.

According to the Narcotics Brigade report, this year the police managed to seize 30 kg of cocaine in several operations. This amount is higher than the total amount of cocaine seized from 1980 to 1988.

A recently-published investigation by this newspaper shows that the Medellin Cartel has focused its drug trafficking on

the Montevideo coastal area, especially the wealthy residential areas. It adds that the Cali Cartel, an organization that began working in Uruguay after the Medellin Cartel, has chosen the poor Montevideo neighborhoods as its starting point. It started subsidizing the sales of "coca" by charging only 30 percent of the market price.

The current Colombian situation—where the government is beginning a tough repression of drug trafficking rings based far from the capital and investigating the financial system built by the Cali and Medellin Cartels—could result in increased criminal activity by those groups in Uruguay, especially because of their urgent need to solve the problems they are now facing.

It is believed that the Narcotics Brigade is working "at a forced pace" because of the current situation, and government, justice, and diplomatic sources are all saying that "Uruguay is the drug traffickers' target," in the words of Colombian Ambassador Alfonso Gomez Gomez.

Financial sources have confirmed the charges made in the United States that Uruguayan financial organizations are involved in the laundering of narcodollars. They believe that the current bank secrecy policy is being used for this purpose by Medellin and Cali strategists.

The recent investigation by LA HORA POPULAR, based on official information gathered from the courts of Atlanta and California in the United States, documents how and to what extent the Medellin Cartel has organized a "narcotics money laundering organization" by linking the computers of Ciudad Vieja [the old town of Montevideo] and those of New York.

Government sources have reported that in several operations carried out in April of this year, the police managed to confiscate a total of 12 kg of cocaine, twice as much as in all 1988. They added that this is an example of increasing drug trafficking in the country.

Defense Minister on Armed Forces' Role

PY0809203689 Montevideo BUSQUEDA in Spanish
31 Aug-6 Sep 89 pp 80, 77

[Interview with National Defense Minister Hugo Medina by unidentified BUSQUEDA reporter—date and place not given]

[Excerpts] [Reporter] The anniversary of the naval club accord was celebrated this month. Now that 5 years have passed, are you satisfied with the results of that agreement?

[Medina] As time goes by I feel more satisfaction and appreciation for what we did at that time. That accord provided a solution and a bloodless transition from a de facto government to a constitutional one in a peaceful and organized manner. It is true that the accord did not fully meet the expectations of all sides—the parties and the military—but all of us were convinced that it was the best possible solution. [passage omitted]

[Reporter] Are you satisfied with the reactions of the Army and the Armed Forces to the accord?

[Medina] Yes. When I say that I feel satisfied I am referring to all reactions, although I do not mean that everyone has accepted it. It takes time to understand some things.

[Reporter] The Armed Forces were concerned about the results of the 1984 elections because if the Blanco Party had won, the naval club accord might not have been fulfilled in view of the fact that this party did not participate in the negotiations. Do the Armed Forces have any concerns about the upcoming elections or about the possible winner?

[Medina] I would not be telling the truth if I said that for the Armed Forces the winner would make no difference. But, in this case, it really doesn't make any difference because of the parties that are running in and may win the elections.

[Reporter] So there is no reason whatsoever for concern.

[Medina] No. [passage omitted]

[Reporter] Do you believe that the recent seminars on military matters have produced positive results?

[Medina] I think that they are very positive and that they are essential for tackling problems and for making improvements. I do not mean to say that we have done as well as possible, but we have done something, and this is very important.

[Reporter] There has been debate on whether the Armed Forces should participate in internal affairs, and the subject was mentioned during the last seminar. What is your opinion?

[Medina] Unless we want to engage in dogmatic or philosophical speculation, we should begin by considering the actual situation prevailing in our country. In cases of subversion, Uruguay does not have an intermediate organization between the police—who make the first contact with subversion—and the Armed Forces. The mission of the Armed Forces is such that if the police are not overwhelmed, it is the police who should preserve order. If the police are overwhelmed and if there is a government order, the Armed Forces can take action against powerful political or nonpolitical criminals. The police will be the first to check any subversive outbreak. Other countries have intermediate organizations between the police and the Armed Forces, such as the National Guard in Spain, the Carabineros in Chile, or the gendarmerie in Argentina. We have no such intermediate organization in Uruguay.

[Reporter] What about the grenadiers?

[Medina] They are a militarized unit that, because of their training, might take action. However, there aren't enough of them.

[Reporter] Would you agree to the creation of one of those intermediate armed organizations?

[Medina] We should once again consider the situation in our country. To create such an organization would be

rather expensive. We have the Armed Forces. Considering the fact that the Armed Forces are unlikely to be in a situation in which they must fulfill their main duty—to defend our territory and sovereignty—we might train them to fight subversion, but without disregarding their main defensive duties. To achieve this objective, it will be necessary to gather information. Physical and motivational training will also be required, and this training takes time and effort. The essential precondition, however, is the gathering of information.

[Reporter] Military intelligence?

[Medina] Timely processed military intelligence to avoid surprises like the one that shocked the Argentine people: the takeover of the La Tablada barracks. Intelligence work, which has always been important, was one of the key factors in the successful struggle that the Armed Forces waged against subversion.

[Reporter] Do you foresee the reappearance of guerrilla groups in the short term?

[Medina] It is not wise to flatly deny the possibility of subversive activity in a society. So far, however, events indicate that no one seems willing to engage in subversive activity. Regarding the possibility of subversive activities in the short, medium, or long term, I would say that it is wise to be ready to repel any such activity.

[Reporter] During President Raul Alfonsín's administration, the number of Armed Forces personnel in Argentina decreased significantly. Has anything similar occurred in the Uruguayan Army?

[Medina] Complying with Executive Branch orders, we reduced the number of Armed Forces personnel by more than 5,000. At that stage, we were left with 54 vacancies. Since then, the number of vacancies has been increasing, and we now have much more than 2,000 vacant positions. Most of these positions are for soldiers, second class.

[Reporter] What are the reasons for that?

[Medina] It is due to economic problems resulting from the low salaries the Armed Forces pay to people who have to dedicate so many hours of their day to their jobs, who have to sacrifice so many other things, including their personal freedom, to their military careers, and who must submit to such rigorous discipline. Many Armed Forces personnel volunteer to retire after 15 years. When the 15 years are over, they leave the Armed Forces.

[Reporter] Is the problem among officers as serious in the Uruguayan Armed Forces as in the Argentine Armed Forces, where the number of officers decreased by 8.76 percent?

[Medina] Yes, we also have that problem here, but not as bad as in Argentina. One of the reasons for our large number of vacancies is that, although some may not know it, a member of the Uruguayan Armed Forces cannot have another job. We must find out, however, whether Uruguayan Armed Forces personnel have no other jobs and do not need them, or whether they secretly hold other jobs. I dare say that they have other jobs. [passage omitted]

[Reporter] Are the Armed Forces having any problems regarding military equipment?

[Medina] The Navy has been given the opportunity to buy a French frigate, and this is quite a victory. The Air Force has increased its number of training and cargo planes. They also have more of the fighters they so badly need. They still need funds, however, for maintenance services to keep the fleet operational. At the engineering level, the Army is receiving cooperation, but it needs more armored vehicles. This is why I cannot say the current situation entirely satisfies members of Armed Forces. The government is trying to keep the Armed Forces updated and well equipped, but it is not doing more because of economic restrictions.

[Reporter] The Armed Forces seem to be sufficiently armed to cope with any internal disturbances, but are they ready to confront another country in case of war?

[Medina] Our longstanding position is that we are not an aggressive country. We only have to make provisions for our self-defense. In this context we think we could hold out for 24 hours, or the time required for someone to send support and reinforcements. If that support materializes, we could absorb the materiel we need. Our personnel have been trained to handle the most modern, although not the most sophisticated, equipment.

[Reporter] How do you foresee the Uruguayan Army should be in the year 2000? For instance, it has been said that it should be smaller, although better paid and equipped.

[Medina] When I think about this, one question comes to my mind: What kind of financial resources will be available to the army of the year 2000? The answer to this question will fundamentally hinge the organization of this Army. I don't know whether the Army should be larger or smaller in manpower, nor do I know how it will be trained. The studies that have been made do not go deep enough for me to give an opinion. Also, I do not think the equipment that will be made available will be ideal. We have to strike some sort of compromise over our terms of reference and come up with some solution that has a solid basis that will grant the maximum possible protection. It will never be ideal, but it will be as close as possible. [passage omitted]

[Reporter] Are the majority of Army officers, mainly the young officers, identified with the political transition and the democratic model?

[Medina] Yes. I think so. It would be frustrating if this were not so. I am convinced that the large majority of young officers have understood that the country started heading in a new direction on 15 February 1985 and has identified itself with this change. It might be easier or harder for some individuals to get adjusted to this change, but this is a personal problem. The majority of officers are firmly moving along with the idea of an Army that respects the country's laws and the Armed Forces' organizational charter. [passage omitted]

Venezuela

Official Sources Release Perez Trip Itinerary

PA1209042889 Madrid EFE in Spanish 0514 GMT
8 Sep 89

[Text] Caracas, 7 Sep (EFE)—Official sources confirmed today that the itinerary of trips by Venezuelan President Carlos Andres Perez in September, October, and November includes trips to the United States, Peru, Costa Rica, Egypt, India, and Indonesia.

On 25 September, President Perez will travel to New York where he will address the UN General Assembly on 26 September.

Spokesmen of the Miraflores Presidential Palace indicated that Carlos Andres Perez' speech will deal with the international narcotics problem, the foreign debt, and the Central American political situation.

Perez is scheduled to return to Venezuela on 29 September; 12 days later he will travel to Lima to attend the Group of Eight summit along with his counterparts from Argentina, Brazil, Colombia, Peru, Uruguay, and Mexico (Panama has been excluded from the group because of its internal political problems).

Perez will conclude its visit to Peru on 13 October, and between 27 and 29 October, he will be in Costa Rica attending the continental summit convened by Costa Rican President Oscar Arias to commemorate the 100th anniversary of Costa Rican democracy.

President Perez' trips during 1989 apparently close with his visit to Egypt, Indonesia, and India between 10 and 16 November.

In India, Perez will participate in the meeting of the South Commission of which Venezuela is a member. Perez, along with almost 100 important world figures, will participate in the meeting. In 1990, the South Commission plans to prepare a report on the situation of developing countries and their relations with industrialized countries.

Guyana

IMF Continues To Monitor Beleaguered Economy

FL0709182489 Bridgetown CANA in English
2206 GMT 6 Sep 89

[Text] Georgetown, Guyana, Sept 6, CANA—Guyana and the International Monetary Fund (IMF) "are still divided on a further devaluation" of the local dollar as part of an IMF-backed economic recovery programme, the privately-owned "STABROEK NEWS" newspaper reported Wednesday.

The newspaper also quoted unnamed "sources" as saying "the IMF is holding out for a 42 (Guyana dollar) to one (U.S.) devaluation" of the dollar as well as for higher interest rates.

It said an IMF team which has been holding talks with the government left here last week after failing to agree on a revamped programme.

Its sources also said that unless the Western donor group of countries which has offered to help Guyana gives more funds, the programme would have to be substantially revised.

"The British are understood to have indicated their willingness to increase commitments but the position of the others is not yet clear," STABROEK NEWS said.

The paper added: "on devaluation, the IMF team...was apparently impervious to arguments that until goods can be imported normally and are available in shops, it is impossible to accurately gauge the real exchange value of the currency."

Guyana and the IMF are yet to agree on a loan for the beleaguered economy, but the two sides have an agreement under which the IMF monitors the performance of the economy.

The monitoring programme with the IMF is scheduled to run until the end of this year after which the government hopes to enter into standby and enhanced structural adjustment programmes with the fund.

However, analysts here say the programme being monitored is badly off target and the recent IMF mission was expected to help the government revamp it.

For its part, the government has blamed the seven week strikes in the bauxite and sugar industries earlier this year over its austerity programme largely for the problem.

The strikes were staged in the wake of the government's 1989 budget, a key component of which was a 70 per cent devaluation of the Guyana dollar.